



# ***Daily Report***

---

## **China**

FBIS-CHI-91-230  
Friday  
29 November 1991

# Daily Report

## China

FBIS-CHI-91-230

### CONTENTS

29 November 1991

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

Foreign Ministry Spokesman's Weekly News Briefing .....	1
Terms House Bill 'Unacceptable' [AFP] .....	1
Says Country Forbids Child Labor [XINHUA] .....	1
On Opposition to MFN Conditions [Beijing International] .....	1
Denies Export of Reactor to Syria [RENMIN RIBAO OVERSEAS EDITION 29 Nov] .....	2
Views Japanese Troop Deployment [ZHONGGUO XINWEN SHE] .....	2
Views Phnom Penh Incident [RENMIN RIBAO OVERSEAS EDITION 29 Nov] .....	2
Further Comments on Phnom Penh [AFP] .....	2
Appraises DPRK Nuclear Proposal [RENMIN RIBAO OVERSEAS EDITION 29 Nov] .....	3
Expresses Concern Over Yugoslavia [RENMIN RIBAO OVERSEAS EDITION 29 Nov] .....	3
Announces Li Peng India Visit [XINHUA] .....	3
Announces Tian To Visit Japan [XINHUA] .....	3
Li Peng Confirms Plenum Meeting on Agriculture [AFP] .....	3
Further Reportage [XINHUA] .....	4
Jiang Zemin Meets WIPO Director General [XINHUA] .....	4
UN Envoy Discusses Peacekeeping Operations [XINHUA] .....	4

##### United States & Canada

Reportage on Reaction to Joint-U.S. Trade Talks .....	5
Delegation: U.S. Action 'Unjust' [RENMIN RIBAO OVERSEAS EDITION 28 Nov] .....	5
Trade Spokesman's 'Deep Regret' [RENMIN RIBAO OVERSEAS EDITION 27 Nov] .....	5
Article Terms Sanctions 'Illogical' [Hong Kong WEN WEI PO 28 Nov] .....	6
Column Views U.S. 'Pressure' [Hong Kong TA KUNG PAO 28 Nov] .....	6
Foreign Minister Qian Qichen Meets American Jews [XINHUA] .....	7
Discusses Israeli Ties [AFP] .....	8

##### Northeast Asia

Official Urges Broader Trade Ties With Japan [RENMIN RIBAO 15 Nov] .....	8
--	---

##### Southeast Asia & Pacific

XINHUA Views Attack Against SNC Members .....	10
Son Sann 'Unhappy' Over Attack [XINHUA] .....	10
Further Details on Attack [XINHUA] .....	10
Cambodian Refugees Protest Attack [XINHUA] .....	11
Overseas Cambodians Condemn Attack [XINHUA] .....	11
Commentary Views Tasks of Cambodian Reconstruction [RENMIN RIBAO 24 Nov] .....	11
Visiting Micronesian Delegation Meets Wan Li [XINHUA] .....	12
Meets Yang Shangkun [XINHUA] .....	13
Deputy Secretary Meets Lao Party Delegation [TIANJIN RIBAO 10 Oct] .....	13
Holding Company Opens Trading Office in Singapore [XINHUA] .....	14

##### Near East & South Asia

Li Peng Expresses Mideast Peace Forum Support [XINHUA] .....	14
Government Invites Israeli Group to Exhibition [Jerusalem Radio] .....	14



Bangladesh Education Minister Meets Science Group [XINHUA] .....	14
XINHUA Interviews Sri Lankan Official .....	15

#### Sub-Saharan Africa

NPC Delegation Arrives in Namibia for Visit [XINHUA] .....	15
Delegation Feted [XINHUA] .....	15
Received by President Nujoma [XINHUA] .....	15

#### West Europe

UK Minister Begins 'Familiarization Tour'	
[Hong Kong SOUTH CHINA MORNING POST 28 Nov] .....	16
Meets Zou Jiahua [XINHUA] .....	16
Feted by Lu Ping [XINHUA] .....	16
Views Topic of Jailed Residents [Hong Kong THE STANDARD] .....	16

### NATIONAL AFFAIRS

#### Political & Social

Two 'Counterrevolutionary' Figures Released [XINHUA] .....	18
Sources Say Trial of Five Dissidents Under Way [Hong Kong THE STANDARD 29 Nov] .....	18
Dai Qing Case Causes Yang-Li 'Conflict' [Hong Kong CHENG MING 1 Dec] .....	18
Internal Document on Political Prisoner Figures [Hong Kong CHENG MING 1 Dec] .....	20
Sources: Deng 'Deteriorating,' Mind 'Clear'	
[Hong Kong SOUTH CHINA MORNING POST 28 Nov] .....	21
Plenum Ends, Stresses Agriculture, Rural Work .....	21
Communique Issued [XINHUA] .....	21
'Top-Level Personnel Change' Viewed [Hong Kong MING PAO 28 Nov] .....	23
Dust From Plenary Session 'Has Settled' [Hong Kong MING PAO 29 Nov] .....	24
Article on Plenum Convening, Deng-Chen Struggle [Hong Kong CHENG MING 1 Dec] .....	24
Li Ruihuan, Ding Guangen, Yang Baibing at Opera [XINHUA] .....	27
Qiao Shi Attends Opera on Model Communist [XINHUA] .....	27
Justice Minister on Promoting Rule by Law [RENMIN RIBAO 10 Nov] .....	28
CPC Internal Document on People-Trafficking [Hong Kong CHIUSHIH NIENTAI 1 Nov] .....	29

#### Science & Technology

PRC Aeronautics Exhibition Opens in Hong Kong .....	32
Official Interviewed [Hong Kong WEN WEI PO 22 Nov] .....	32
Long March Rocket To Be Shown [XINHUA] .....	32
Official Discusses Future Launches [ZHONGGUO TONGXUN SHE] .....	33
Vice Minister on Benefits [XINHUA] .....	33
Exhibition Opens 28 Nov [XINHUA] .....	34
General Nie Li Attends [Hong Kong SOUTH CHINA MORNING POST 29 Nov] .....	34
Research Centers Promote Technology Development [CHINA DAILY 22 Nov] .....	35
'Newsletter' Supports Training Young Scientists [XINHUA] .....	35

#### Economic & Agricultural

Bid To Bolster State Enterprises Announced [XINHUA] .....	37
More on Reform Plans [XINHUA] .....	38
'Austerity' Plan 'Fulfilled' [AFP] .....	40
Economist Views Improving State Enterprises [GUANGMING RIBAO 1 Nov] .....	40
'Feature' Cautions on Industrial Growth Rate [ZHONGGUO TONGXUN SHE] .....	43
Official Reports Commodity Prices Stable [Beijing Radio] .....	43
Trade Official Sees Record Foreign Investment [XINHUA] .....	44
Government Expects Exports To Exceed \$55 Billion [ZHONGGUO TONGXUN SHE] .....	44
State Council Promulgates State Assets Measures [XINHUA] .....	44
Li Peng Signs Order [XINHUA] .....	45

Further on Measures [XINHUA] .....	45
Official Cited on State Property [XINHUA] .....	48
Article Previews 8th 5-Year Plan Labor Policy [RENMIN RIBAO 6 Nov] .....	48
Daily on Sichuan's New Record High Grain Output [RENMIN RIBAO 21 Nov] .....	50

## REGIONAL AFFAIRS

### East Region

Deputies Briefed on Shandong Economic Situation [Jinan Radio] .....	51
Shandong Outlines Priorities for Five-Year Plan [XINHUA] .....	51
Cadres To Conduct Rural Ideological Education [Jinan Radio] .....	51
County Stresses Advanced Farming Techniques [XINHUA] .....	52

### Southwest Region

Liu Zhengwei Attends Science Awards Ceremony [Guiyang Radio] .....	52
Views 'Four Relaxation' Policy [Guiyang Radio] .....	52
Guizhou Flood Victims Occupy New Housing [XINHUA] .....	53
Tibet Water, Power Projects Boost Agriculture [XINHUA] .....	53
He Zhiqiang Addresses Art Festival Mobilization [Kunming Radio] .....	53

### North Region

Beijing Tests Labor Employment Contract System [CHINA DAILY 27 Nov] .....	54
Reselling of State-Owned Houses Investigated [XINHUA] .....	55
Technology Exchange Promotes Beijing Economy [XINHUA] .....	55
Xing Chongzhi Views Peaceful Evolution Struggle [HEBEI RIBAO 15 Sep] .....	55
Views Dacheng Family Planning [HEBEI RIBAO 2 Oct] .....	64
Visits Armed Police Officers [HEBEI RIBAO 3 Oct] .....	65
Tianjin Reports Increased Cotton Grain Harvests [XINHUA] .....	65

### Northeast Region

He Zhukang Addresses Jilin Party School Session [JILIN RIBAO 27 Sep] .....	66
Jilin Holds Rural Cultural Work Conference [JILIN RIBAO 23 Sep] .....	67
Antidrug Telephone Conference Held 23 Sep [JILIN RIBAO 25 Sep] .....	68
Jilin Reviews Foreign Capital Utilization [JILIN RIBAO 25 Sep] .....	68
Jilin Holds 'Religious Work' Conference 25 Nov [Changchun Radio] .....	69
Conference Concludes [Changchun Radio] .....	69
Economic Development Zone Established in Jiutai [JILIN RIBAO 2 Oct] .....	70

### Northwest Region

Gansu-Ningxia Region Raises Grain Output [XINHUA] .....	70
Yin Kesheng Addresses Trade Union Meeting [Xining Radio] .....	71
Zhang Boxing Views Shaanxi Forestry Development [Xian Radio] .....	72
Drug Traffickers Executed, Imprisoned in Xian [ZHONGGUO TONGXUN SHE] .....	72
Commentary Stresses Importance of Party Discipline [SHAANXI RIBAO 1 Nov] .....	73
Song Hanliang on Improving State-Run Enterprises [XINJIANG RIBAO 28 Oct] .....	74
Views Rural Ideological Education [Urumqi TV] .....	82

## TAIWAN

Four Independence Activists Indicted for Sedition [CNA] .....	84
SEF To Investigate Mainland Vessel 'Pounding' [CNA] .....	84
Atomic Energy Council Denies Plan To Dump Waste [CNA] .....	84
Ministry: Time 'Not Yet Ripe' for Direct Links [CNA] .....	84
Mainland's Peng Zhen Reportedly Dying of Cancer [Taipei Radio] .....	85
Hao Orders Review of McDonnell Douglas Deal [CNA] .....	85
SRV Investment Guarantee Agreement Proposed [CNA] .....	85

## General

### Foreign Ministry Spokesman's Weekly News Briefing

#### Terms House Bill 'Unacceptable'

HK2811102991 Hong Kong AFP in English  
1015 GMT 28 Nov 91

[Text] Beijing, Nov 28 (AFP)—China described as "absolutely unacceptable" Thursday a bill passed by U.S. legislators putting conditions on the renewal of favorable trade status, and lashed out at a U.S. campaign to boycott Chinese toys allegedly made by child laborers.

"We are firmly opposed to the bill passed by the U.S. House of Representatives," the foreign ministry spokesman said. "Any move to cancel or attach conditions to the renewal of China's most favored nation (MFN) status is absolutely unacceptable to the Chinese side."

The bill passed Tuesday by a 409-21 vote and was sent to the Senate. It would require progress in human rights and Beijing's agreement not to sell missiles to Syria or Iran or nuclear weapons technology to non-nuclear nations.

The Chinese spokesman, speaking at a weekly briefing, harshly criticized a boycott of Chinese toys announced Monday by U.S. labor and consumer groups that claimed the toys were produced using child labor.

Such allegations were "totally unfounded," said the spokesman, Wu Jianmin, accusing the U.S. groups of taking "an anti-China position." He added that "the employment of child laborers is illegal in China."

Under the House bill, China would have to account for those arrested for joining the 1989 pro-democracy demonstrations in Tiananmen Square and release non-violent protesters.

But the spokesman was diffident on China's human rights record.

"Human rights in China are protected and guaranteed by China's constitution and laws," Wu said. "The Chinese judicial departments handle cases of criminal violation strictly according to China's laws."

A recent visit by U.S. Secretary of State James Baker aimed at trying to patch up deteriorating relations between Washington and Beijing apparently did little in the way of damage control.

The harsh tone from Beijing came two days after bilateral talks aimed at resolving a intellectual property right dispute failed in Washington.

China blamed the United States for the collapse of the marathon talks, but added that it hoped consultations would continue and head off any retaliatory sanctions.

Unless China agrees to greater intellectual property protection by February 26, some of its exports could face retaliatory tariffs of up to 100 percent. The United States was to publish Friday a list of such goods.

A U.S.-set deadline for Beijing to improve protection ended Tuesday after a six-month investigation under special provisions of a 1988 trade law.

Washington sought more protection in China of computer software copyrights and patents on pharmaceutical and chemical products as well as tougher enforcement of China's existing copyright law.

U.S. industries are estimated to lose more than 400 million dollars a year in sales because of copyright violations in China, more than any other country.

#### Says Country Forbids Child Labor

HK2811105291 Beijing XINHUA in English  
0932 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that some recent outside reports on the so-called issue that "China used child labour to produce toys for export" were totally unfounded.

"The Constitution of the People's Republic of China clearly formulates the prohibition against employing child laborers," spokesman Wu Jianmin said at a weekly press conference in response to a correspondent's question.

Wu noted that on April 15, 1991, the Chinese State Council issued a No. 81 decree, reiterating the forbidding of state departments, social organizations, enterprises and institutions, self-employed industrial and commercial units, country households, city and township residents to employ child laborers under the age of 16.

"The employment of child labour is illegal in China," Wu stressed.

"Causing confusion on the ground of the so-called suspicion, some people have gone so far as to vilify the credibility of some China products and export enterprises and to impede the development of Sino-U.S. trade," he said.

"To do something like that only shows that they obstinately cling to the anti-China position or they have other ulterior motives," the spokesman concluded.

#### On Opposition to MFN Conditions

OW2911100891 Beijing Radio Beijing in English  
to East and South Africa 1700 GMT 28 Nov 91

[Text] The Chinese Foreign Ministry spokesman says China strongly opposes the U.S. Congress bill attaching conditions to extending China's most favored nation [MFN] trade status. Speaking at a news briefing in Beijing today, the spokesman says any actions to remove or attach conditions to China's MFN status is not

acceptable. He says the granting of reciprocal MFN status between China and the U.S. is the basis for bilateral trade, benefiting both sides.

### **Denies Export of Reactor to Syria**

CM2911132391 Beijing RENMIN RIBAO  
 OVERSEAS EDITION in Chinese 29 Nov 91 p1

["PRC Foreign Ministry Spokesman Says China Has Not Exported Any Nuclear Reactor to Syria"]

[Text] Beijing, November 28 (XINHUA)—China has not exported any nuclear reactor to Syria, said Chinese Foreign Ministry spokesman Wu Jianmin at a weekly press conference here this afternoon.

In response to a question on whether Syria has purchased a nuclear reactor from China, the spokesman said the fact is that the International Atomic Energy Agency (IAEA) intends to purchase from China a miniature neutron source reactor with the power of 30 kilowatt, used for neutron activation analysis and isotope production.

The IAEA will provide Syria with this nuclear reactor for its use as an item of the agency's technical assistance, according to the spokesman.

He said the safeguard agreement concerning this reactor is yet to be ratified by IAEA's board of directors.

### **Views Japanese Troop Deployment**

HK2811132391 Beijing ZHONGGUO XINWEN SHE  
 in Chinese 1217 GMT 28 Nov 91

[Text] Beijing, 28 Nov (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry's spokesman Wu Jianmin said today that for historical reasons, Japan's dispatch in any form of its troops overseas is a highly sensitive matter.

Wu Jianmin made the above remarks when responding to questions from Japanese reporters.

It has been reported that a bill on Japan's peacekeeping assistance to the United Nations may be adopted tonight by a special committee of the Japanese House of Representatives.

Wu Jianmin said that it is China's consistent hope that the Japanese Government will act cautiously when handling such matters. The Chinese Government remains unchanged in its stand on this issue.

When answering Japanese reporters' questions concerning the Eighth Plenary Session of the 13th CPC Central Committee, Wu Jianmin disclosed that news on this meeting would be released soon.

### **Views Phnom Penh Incident**

CM2911133791 Beijing RENMIN RIBAO  
 OVERSEAS EDITION in Chinese 29 Nov 91 p1

["PRC Foreign Ministry Spokesman Says China Is Deeply Concerned About the Violent Incident in Phnom Penh"]

[Text] Beijing, November 28 (XINHUA)—China is shocked and deeply concerned about the violent incident which took place in Phnom Penh on November 27, a spokesman for the Chinese Foreign Ministry Wu Jianmin said at a press conference here today.

The spokesman said, "We are shocked to learn of the violent incident which took place in Phnom Penh on November 27 and deeply concerned over it."

"The Paris agreement on the political settlement of the Cambodian conflict did not come easily, and all the Cambodian parties shoulder the responsibility of implementing the agreement in all aspects," according to the spokesman.

He said, "The grave violent incident in Phnom Penh on November 27 in which the residence of Mr. Khieu Samphan and Mr. Son Sen, members of the Supreme National Council, was invaded and the members themselves were beaten and wounded has impeded the implementation of the peace agreement, thus violating the interests of the Cambodian people."

"The international community is justified to ask the Phnom Penh side to take measures to ensure the normal operation of the Supreme National Council in Phnom Penh," the spokesman said.

### **Further Comments on Phnom Penh**

HK2811094491 Hong Kong AFP in English  
 0925 GMT 28 Nov 91

[Text] Beijing, (AFP)—China issued a clear warning Thursday to the Phnom Penh Government to guarantee the security of members of Cambodia's Supreme National Council (SNC), following the attempt to lynch Khmer Rouge leader Khieu Samphan.

"We were shocked to learn of the violent incident that took place in Phnom Penh and are deeply concerned over it," said foreign ministry spokesman Wu Jianmin.

Thousands of Cambodians attempted Wednesday to storm the building housing Khieu Samphan—The Khmer Rouge's senior official on the 12-member SNC—just hours after he returned to the capital for the first time since 1979.

"The Phnom Penh side has a responsibility to ensure the normal operation of the Supreme National Council," Wu told a weekly press conference.

The SNC, which groups representatives from the resistance coalition and the Phnom Penh regime, is an



interim body set up to represent Cambodian sovereignty prior to U.N.-supervised elections.

"We have noticed that Prince Sihanouk said that Phnom Penh should give a solid, serious guarantee for the safety of the members of the SNC," Wu said.

China is the principal ally of the Khmer Rouge, who are held responsible for the deaths of more than a million Cambodians during their 1975-79 reign.

#### **Appraises DPRK Nuclear Proposal**

CM2911132991 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 29 Nov 91 p1

["PRC Foreign Ministry Spokesman Says China Appraises Positively DPRK Foreign Ministry's Four-Point Proposal"]

[Text] Beijing, November 28 (XINHUA)—China appraises positively the new four-point proposal raised by the Democratic People's Republic of Korea on nuclear safeguards, said Chinese Foreign Ministry spokesman Wu Jianmin here today at a weekly press conference.

The spokesman made the remark in response to a question on the four-point proposal concerning the signing of an agreement on nuclear safeguards in a statement issued by the Foreign Ministry of the Democratic Peoples' Republic of Korea (DPRK).

"We appraise positively the new four-point proposal contained in the November 25 statement of the Foreign Ministry of the DPRK," said the spokesman.

"Last July, the DPRK put forward a proposal on turning the Korean peninsula into a nuclear-free zone, and the U.S. side has announced the plan to withdraw its nuclear weapons deployed in South Korea. Not long ago, the South Korean side also put forward a proposal on denuclearization of the Korean peninsula," according to the spokesman.

He said, "We believe that all these have laid a sound foundation for solving the nuclear question in the Korean peninsula."

"We hope that all sides concerned will adopt a flexible and positive approach and take practical steps to start dialogues as soon as possible, so as to reach a proper solution to this question," he said.

#### **Expresses Concern Over Yugoslavia**

CM2911131691 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 29 Nov 91 p1

["PRC Foreign Ministry Spokesman Says China Is Deeply Concerned About Situation in Yugoslavia"]

[Text] Beijing, November 28 (XINHUA)—A Chinese Foreign Ministry spokesman said that the Chinese Government is deeply concerned about the situation in Yugoslavia.

"We hold that the Yugoslavian question should be resolved by Yugoslavian people themselves through peaceful negotiations and by nonviolent means," Spokesman Wu Jianmin said at a weekly press conference here this afternoon.

Wu said that the United Nations is an organization dealing with state-to-state relations and should not interfere in a country's internal affairs.

He said, "considering Yugoslavia's request and the views of most countries, China holds an understanding attitude towards the resolution by the Security Council on peace-keeping operations in Yugoslavia."

"It must be pointed out that such a decision made by the Security Council cannot be regarded as setting a precedent," Wu added.

#### **Announces Li Peng India Visit**

OW2811080891 Beijing XINHUA in English  
0757 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Chinese Premier Li Peng will pay an official goodwill visit to India from December 11 to 16 at the invitation of Indian Prime Minister P.V. Narasimha Rao, a spokesman for the Chinese Foreign Ministry announced at a weekly press conference here this afternoon.

#### **Announces Tian To Visit Japan**

OW2811082791 Beijing XINHUA in English  
0815 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Chinese Vice-Premier Tian Jiyun will pay a visit to Japan in early December at the invitation of the Japanese Government and the Japan-China Association on Economy and Trade, a Chinese Foreign Ministry spokesman announced at a weekly press conference here this afternoon.

During his visit, Tian will meet with Prime Minister Kiichi Miyazawa and other VIPs of the Japanese political and economic circles, the spokesman said.

He said the vice-premier will also visit some industrial and agricultural projects.

#### **Li Peng Confirms Plenum Meeting on Agriculture**

HK2811122891 Hong Kong AFP in English  
1205 GMT 28 Nov 91

[Text] Beijing, Nov 28 (AFP)—Chinese Premier Li Peng confirmed Thursday that the communist party central committee was holding a plenum to discuss the future of agricultural reform.

Meanwhile, a spokesman for the foreign ministry said the meeting would be over "very soon" and a communique issued. A communique on the meeting was expected Friday.

"We are now holding a very important meeting in Beijing with the purpose of discussing agricultural questions," Li told a group of ambassadors presenting their credentials. Footage of the meeting was carried on state television.

The premier, who is also a standing member of the politburo, said the party hoped to further develop agriculture and paid great attention to it.

It is unusual for China to announce a plenum while it is still going on. News of the meeting is usually held until after its conclusion.

Chinese sources said the meeting opened Monday.

The plenum was also to address changes in the leadership ahead of next year's 14th party congress and the possibility of bringing new leaders into the politburo, they said. Li did not mention a reshuffle.

#### Further Reportage

OW2811141091 Beijing XINHUA in English  
1343 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Chinese Premier Li Peng said here today that China attaches great importance to agriculture, and an ongoing important meeting in Beijing is focusing on China's agricultural development.

Despite severe natural disasters this year, Li said, China's grain output is next only to that of last year's record, while the growth rate of the gross national product has reached six percent.

Li made these remarks here this afternoon when he met with six ambassadors to China. They include outgoing Chadian ambassador to China Issa Abbas Ali, and new ambassadors to China Ronald Mortimer Austin of Guyana, Shafi Sami of Bangladesh, Martinez Morcillo of Spain, Basudev Chandra Malla of Nepal and George Santer of Luxembourg.

Li said China is a flourishing developing country. He stressed that rather than being affected by the turbulence in other parts of the world, the country's political situation has become more stable than before.

Li told the ambassadors that China pursues an independent foreign policy of peace and is willing to develop friendly and co-operative relations with all countries.

#### Jiang Zemin Meets WIPO Director General

OW2811110891 Beijing XINHUA in English  
1050 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Chinese Communist Party General Secretary, Jiang Zemin, today praised Arpad Bogsch, director general of the World Intellectual Property Organization (WIPO), for his efforts in helping China build its intellectual property protection mechanism.

In a meeting at Zhongnanhai here, Bogsch told Jiang that the remarkable progress China has made in protecting intellectual property during the past decade and more has won favorable comment in the international community.

Bogsch, who has been WIPO director general for 18 years, has made 12 visits to China and given much help in training Chinese intellectual property protection personnel, in working out the patent law, and in China's efforts to expand international exchanges in this field.

China joined WIPO in 1980.

Present at the meeting were Song Jian, state councillor and minister in charge of the State Science and Technology Commission, and Gao Lulin, director general of the State Patent Office of China.

Bogsch, who arrived here yesterday, also met with Ren Jianxin, president of the Chinese Supreme Court, here this evening.

#### UN Envoy Discusses Peacekeeping Operations

OW2711203691 Beijing XINHUA in English  
2016 GMT 27 Nov 91

[Text] United Nations, November 27 (XINHUA)—China said today that the establishment of a U.N. peace-keeping operation should not become a precedent for the future.

Speaking at the U.N. Security Council's consultation on the situation in Yugoslavia this afternoon, Li Daoyu, China's permanent representative to the United Nations, said, "since the Yugoslav Government has already officially requested the Security Council to send U.N. peace-keeping operation to Yugoslavia to maintain the cease-fire and restore peace, and most members of the council have agreed to accept this request, we have adopted an attitude of understanding in this regard."

"However, it is also necessary, in our view, to point out that this is a special measure taken under special circumstances, which should not set a precedent for the future," Ambassador Li told the council.

The Yugoslav Government, in a letter sent to the council president yesterday by its Ambassador to the United Nations Darko Silovic, asked the United Nations to establish a peace-keeping operation in the country.

saying the request "reflects at the same time the expressed desire" of the principal parties to the country's five-month-old civil war.

Expressing the Chinese Government's deep concern with the situation in Yugoslavia, the Chinese ambassador said China's principle is that the Yugoslav question should be properly settled by the Yugoslav people themselves through peaceful consultations.

He added that the efforts of the international community should contribute to this goal and help Yugoslavia end armed conflicts and achieve peace and stability at an early date.

Hostilities started between Croatians and the Serbian-dominated Federal Army in June after Croatia and Slovenia declared independence from Yugoslavia.

Ambassador Li called on the United Nations to strictly respect the sovereignty of its member states and refrain from interfering in their internal affairs in all its mediating activities including peace-keeping operations.

"Otherwise, it may lead to the danger of misusing the peace-keeping operations of the United Nations," he warned.

After the consultation, the Security Council unanimously adopted a resolution saying it undertakes to examine and take appropriate action without delay upon the secretary-general's recommendation for "the possible establishment" of a U.N. peace-keeping operation in Yugoslavia.

## United States & Canada

### Reportage on Reaction to Joint-U.S. Trade Talks

#### Delegation: U.S. Action 'Unjust'

CM2911145591 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 28 Nov 91 p6

[By reporter Wei Guoqiang (7614 0948 1730); "Chinese Government Delegation Issues Statement on Intellectual Property Rights Talks With United States"]]

[Text] Washington, 26 Nov (XINHUA)—The Chinese Government delegation to the Sino-U.S. intellectual property rights talks on 26 November made a statement on the failure of both the Chinese and the U.S. sides to reach an agreement and the U.S. decision to adopt retaliatory measures against China. The statement pointed out: The U.S. way of doing things "is unjust, and is not in the interests of both sides." The Chinese side feels this is "quite regrettable."

The statement said: The Chinese Government delegation has come with an attitude of "sincerity and cooperation" to hold talks with the U.S. Government on the issue of protecting intellectual property rights. "The Chinese Government delegation has done its best and

made a substantive and important concession. However, the U.S. side, ignoring the major measures which China has adopted, or will soon adopt, in protecting intellectual property rights, and paying no attention to the efforts and concession which the Chinese side has made in bilateral consultations, still declares it will, in accordance with 'Super 301' provision of the U.S. Trade Act, adopt retaliatory measures against China. This is unjust and is not in the interests of both sides; nor does it conform to international general practice. The Chinese Government delegation quite regrets this!"

After reviewing the measures which China has adopted and will soon adopt in protecting intellectual property rights, the statement noted: The Chinese Government delegation is "still willing to adopt an attitude on rationally solving issues and to continue holding substantive and conscientious talks with the U.S. Government to strive hard to reach an agreement satisfactory to both sides."

The statement also said: "We also hope that the U.S. side will observe international law and international practice as the criteria, proceed from the goal of safeguarding Sino-U.S. trade relations, and not take any unilateral action that may damage this goal."

The Sino-U.S. intellectual property rights talks opened here on 21 November and concluded on the afternoon of 26 November. The Chinese delegation present at the talks was led by Wu Yi, executive vice minister of the Ministry of Foreign Economic Relations and Trade. The U.S. delegation was led by Trade Representative Carla Hills.

The issue of protecting intellectual property rights has always been a controversial issue in Sino-U.S. trade in recent years. On 26 April 1991, the United States, for no other reason than that China failed to adopt "effective" measures to protect the intellectual property rights in U.S. products, declared that in line with "Super 301" provision of the U.S. Trade Act, it would start on 26 May a six-month investigation on the issue of China protecting intellectual property rights. During this period, if the Chinese side did not agree to take measures satisfactory to the U.S. side, the United States would adopt retaliatory tariff measures against products imported from China.

#### Trade Spokesman's 'Deep Regret'

CM2911143391 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 27 Nov 91 p1

["Chinese Government Expresses 'Deep Regret' Over Failure of Chinese-U.S. Talks on Intellectual Property Rights"]

[Text] Beijing, 27 Nov (XINHUA)—Today the Chinese Government expressed "deep regret" over the failure of the Sino-U.S. talks in reaching an agreement on intellectual property rights.



For this reason, a spokesman for the Ministry of Foreign Economic Relations and Trade said that with a sincere and cooperative desire, the Chinese Government delegation, led by Wu Yi, vice minister of the Ministry of Foreign Economic Relations and Trade, held talks with the U.S. Government on the protection of intellectual property rights from 21 to 26 November. During the talks, the Chinese side did its best and made major substantive concessions. However, in disregard of the major measures China has taken or will be taking concerning the protection of intellectual property rights and tremendous efforts and substantive concession the Chinese side has made, the U.S. side still announced that it will take reprisal against China in accordance with the special Article "301" of the U.S. Trade Law. This is an unfair practice which neither conforms to mutual benefits nor to international norms. The Chinese side is not responsible for the failure of the talks and the Chinese Government expresses deep regret at this.

The Chinese Government has attached great importance to the protection of intellectual property rights. Especially since the implementation of the policy of reform and opening to the outside world, China has promulgated a large number of laws and regulations concerning the protection of intellectual property rights. It has participated in many international conventions concerning the protection of intellectual property rights. In addition, it is ready to participate in some other relevant international conventions as soon as possible.

In the spirit of reasonably resolving problems, the Chinese Government is still willing to hold talks with the U.S. Government in a practical and earnest manner [wu shi de ren zhen de 0523 1395 4104 6126 4176 4104] in a bid to reach an agreement satisfactory to both sides. Meanwhile, we wish that the U.S. side will observe international law and practice, and proceed from the goal of maintaining trade ties between China and the United States by refraining from taking any unilateral actions which will be detrimental to this goal.

#### Article Terms Sanctions 'Illogical'

HK2811054891 Hong Kong WEN WEI PO  
in Chinese 28 Nov 91 p 19

["Special article" by Yu Feng (0151 6912): "Consequences of United States Turning Clock Back Serious"]

[Text] Yesterday, U.S. Trade Representative Mrs. Carla Hills announced the rupture of the Sino-U.S. talks on the special probe 301 concerning intellectual property rights, adding that a list of products was being worked out to be sanctioned for reprisal. Although the United States has time and again clarified that it will take Hong Kong's interests into consideration when imposing sanctions, Hong Kong's interests are bound to be involved if sanction measures are dished out.

The relevant source disclosed that the reprisal list includes Chinese-made textiles, clocks, wristwatches, and shoes. Import tariffs for these products will be raised

by over 100 percent. The implementation of these measures will not only seriously hit China's exports but also ruin the industries producing medium- and low-price consumer goods run by Hong Kong businessmen in the Zhujiang delta. U.S. consumers will have to buy consumer goods at higher prices than those at present. On the other hand, the unilateral introduction of these harsh measures by the United States may possibly worsen Sino-U.S. trade relations. The consequences could be detrimental to both sides.

In Hong Kong, because the United States has promised time and again that it will consider Hong Kong's interests when imposing sanctions against China, people generally believe that sanctions to protect intellectual property rights are unlikely to affect Hong Kong. However, as everyone is aware, most Hong Kong manufacturers have built factories in the Zhujiang delta. Most of the products manufactured by these factories carry the mark "Made in China" when exported to the United States. When sanction measures come into force, U.S. buyers will naturally be worried. Apart from this, China and the United States will have to settle their dispute over the most-favored-nation status and the 301 probe next year. This being the case, Hong Kong businessmen will encounter difficulties in receiving purchase orders next year. At buyers' requests, a wave may rise in which Hong Kong's production is shifted to Southeast Asia. This will cause an increase in production costs, difficulties for Hong Kong manufactures, and disadvantages to U.S. consumers.

Some academics pointed out that the United States has taken this move for political reasons rather than economic ones. The U.S. Presidential election is approaching, but there has been no economic recovery; instead, its economy is worsening and complaints are rising. The ruling party wants to find an excuse to distract civilian attention. In this event, China has become their target. We should understand that China is sincere in improving intellectual property rights. During talks between Chinese and U.S. representatives in Beijing at the end of last month, the Chinese side submitted a solution worked out basically in line with U.S. demands. However, now the United States has accused China of not improving intellectual property rights. Obviously, this is illogical.

#### Column Views U.S. 'Pressure'

HK2811082391 Hong Kong TA KUNG PAO  
in Chinese 28 Nov 91 p 2

["Political Talk" Column by Shih Chun-yu (2457 0689 3768): "It Is Difficult To Predict Outcome of 'Sino-U.S. Friction'"]

[Text] A Heavy Blow to China and Hong Kong [subhead]

The Sino-U.S. intellectual property rights talks, which have attracted a great deal of attention from both Hong Kong and the Mainland over the past few months, sent out a depressing message yesterday: The talks have failed

to reach any agreements. The United States announced that it would publish within days a list of Chinese goods on which it would impose punitive tariffs, some of which could range up to 100 percent of the goods' value. Nonetheless, a possible favorable turn has not yet been ruled out completely. In accordance with the special provision 301 of the U.S. trade laws, considering a complex variety of intellectual property rights, the United States has agreed to allow a one-month consultation period, which can be extended for up to three months, before making a final decision on the issue. In other words, the United States is exercising pressure on China.

The list of goods for possible punitive tariffs, which are soon to be announced by the United States, include the following: toys, watches, electronic instruments, textiles, plastic products, footwear, and other items, most of which are light industrial products. A large number of those goods are produced by the enterprises set up and run by Hong Kong entrepreneurs in the mainland, especially by those enterprises engaged in processing materials provided by foreign clients in South China and the Zhujiang Delta area. Because approximately 70 percent of the U.S.-bound Chinese products are exported through Hong Kong, a huge rise in the U.S. tariffs on the Chinese products will certainly deal a heavy blow to Hong Kong.

#### **The International Atmosphere and Political Background**

The real cause of the Sino-U.S. "trade friction" is certainly not merely an adverse balance of trade on the part of the United States as claimed by the United States. Rather, this is a political issue emerging against a background of "international macro-climate." After the "4 June Incident" in 1989, China became isolated in the international community for some time. Later on, Eastern Europe and the Soviet Union one after another witnessed a collapse of their respective socialist systems. China, a socialist country under CPC leadership, has thus inevitably become the biggest target of attack by all anti-communist and anti-China forces in the world. In the past, the United States drew China over to its side for the purpose of pinning down the Soviet Union. Now the overall situation has changed. Now in the eyes of certain people in the United States, China is becoming increasingly valueless. That is why these people have revealed their true colors.

U.S. prestige was greatly enhanced in the wake of the Gulf War. As a result, some U.S. Congressmen and politicians began exercising all sorts of pressure on China in regard to the human rights question. Although the Chinese authorities have already given a detailed reply to those charges and taken a number of measures to deal with the question, those people still believe that that is not enough. Recently, they have again raised a number of demands on China on the nuclear nonproliferation question. So long as their demands are reasonable and come within China's ability, China is willing to offer its unreserved cooperation on the basis of maintaining

Sino-U.S. relations to reduce friction. It can be said that China has indeed adopted a sincere attitude to seek compromise out of consideration for general interest.

China is a developing country. In the course of its opening up, China is bound to get involved in many aspects of the intellectual property rights prescribed in international law. This is indeed a new question faced by China. Some local authorities and local cadres have not yet acquired a proper understanding of this question. Moreover, China has not been a signatory to the "Berne Treaty." It is perfectly right that China should take immediate action to put an end to its own violation of the patent right and the trademark right, which are categorized as components of the intellectual property rights, in such areas as publication, industrial manufacture, trade mark, computer software manufacture, and other areas.

#### **It Is Necessary To Adopt a Long-Term View in an Unpredictable World**

In the Sino-U.S. trade dispute, China has time and again pointed to an incorrect calculation method used by the United States, namely, the method of categorizing most of those products processed by the Hong Kong entrepreneurs in the mainland and most of those products exported via the mainland as the U.S.-bound Chinese export products. China is willing to import more U.S. goods to alleviate the adverse balance of trade on the part of the United States. The expanded Sino-U.S. trade is originally something to be applauded. So long as both sides conduct trade on the basis of equality and mutual benefit, the huge China market still has great potential for further development.

China will never succumb to the hue and cry raised by some U.S. Congressmen and politicians for increasing various types of pressures on China and for openly interfering in China's internal affairs. Certain people in the United States indeed lack foresight. If the U.S. Government chooses to accommodate such people, one can hardly be optimistic about future Sino-U.S. relations.

The world situation today is virtually unpredictable. The situation in the Soviet Union has yet to become certain. No one knows what will happen tomorrow. After learning a lesson, China will undoubtedly make unreserved efforts to open itself up further to the outside world, develop its own economy, and practice plural foreign trade. With a 5,000-year culture and a diligent national character, the Chinese are deeply convinced that tomorrow will be better.

#### **Foreign Minister Qian Qichen Meets American Jews**

OW2811074991 Beijing XINHUA in English  
0742 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Qian Qichen, state councilor and foreign minister, met with a group of prominent Jews from the United States at the Diaoyutai State Guesthouse here today.

The group is led by Rabbi Marvin Hier, dean of the Simon Wiesenthal Center at Los Angeles.

The foreign minister said during the meeting that the Chinese people have long strived for the goal of living on good terms with all other peoples in the world.

The Chinese and the Jewish are two ancient as well as diligent peoples, said Qian.

The two peoples experienced a period of no contact after the second world war due to historical reasons. However, he added, an increase of contacts would benefit both.

Qian expressed the hope that the visitors would learn about China with their own eyes so as to promote mutual understanding.

During the meeting, Marvin Hier said the Chinese nation, with 5,000 years of civilization, is the largest population in the world. He expressed the hope that the Jewish people would increase contacts and get along well with the Chinese people.

The group arrived here on November 27 for a visit at the invitation of the Chinese People's Institute of Foreign Affairs. The members include businessmen, bankers, social activists and professors.

#### Discusses Israeli Ties

*HK2811122791 Hong Kong AFP in English  
1202 GMT 28 Nov 91*

[Text] Beijing, Nov 28 (AFP)—Chinese Foreign Minister Qian Qichen told a group of U.S. Jewish leaders Thursday that ties with Israel could be established soon, the delegation leader said.

"Both governments were engaged in a gradual and progressive approach with the ultimate goal to prepare for normal relations," Qian was quoted by Rabbi Marvin Hier as saying during a 50-minute meeting.

"With the concerted effort of both sides, this can be achieved soon," the foreign minister reportedly added. A foreign ministry spokesman declined to confirm Qian's remarks.

Hier heads the Los Angeles-based Simon Wiesenthal Center, an independent group dedicated to promoting human rights.

He is leading a group of prominent Jewish community leaders that arrived Wednesday to attend a Holocaust exhibition that it has organized in Shanghai, the first ever held in China.

"We got the impression that they were thinking long and hard about when to recognize Israel and that it was definitely in the cards," Rabbi Hier said.

Hier added that one senior Communist Party official told the group that recognition of Israel could come with progress in the Middle East peace talks.

Relations between Beijing and Jerusalem have been rapidly improving. The two countries do not have diplomatic relations, although they have long had trade and other contacts, including arms sales.

Israel's Defense Minister Moshe Arens reportedly made a secret official visit here earlier this month—following the first peace talks—to discuss military and political issues.

Israel is concerned about possible sales of Chinese nuclear technology, missiles and arms to Arab countries.

#### Northeast Asia

##### Official Urges Broader Trade Ties With Japan

*HK2911112691 Beijing RENMIN RIBAO in Chinese  
15 Nov 91 p 2*

[“Excerpts” of speech delivered at Fourth Sino-Japanese Economic Symposium by Zheng Hongye (6774 7703 2814), chairman of the China Council for the Promotion of International Trade: “Join Efforts To Create a New Situation in Sino-Japanese Economic Relations and Trade”]

[Text] Sino-Japanese relations have generally been excellent following the normalization of relations between China and Japan. In particular, solid advances have been achieved in economic and trade relations. According to statistics, trade volume between the two countries grew nearly 20 times over the past 19 years, while economic and technological cooperation also expanded continuously. However, some setbacks appeared in Sino-Japanese relations after June 1989. Economic and trade personalities as well as organizations long engaged in promoting Sino-Japanese friendship carried out frequent contacts with a view to restoring normal relations between the two countries. The Japanese Government also exerted much effort in this area as high-level officials from China and Japan conducted numerous exchange visits. Prime Minister Kaifu's visit to China in August of this year marked the full restoration of relations between China and Japan as Sino-Japanese trade and economic ties enter a new period of development.

Since 1991, Sino-Japanese trade has grown fairly remarkably as the economic situation in our country improved and Sino-Japanese trade relations were resumed. According to statistics from Chinese customs, Sino-Japanese trade volume from January to June this year reached \$8.3 billion or an increase of 24.8 percent over that of the same period last year. It is widely estimated by trade and economic sources from China and Japan that Sino-Japanese trade volume will break the \$20 billion mark this year and thus set a record in the history of Sino-Japanese trade.

Concerning Japanese investments in China, the situation remains fairly good. In the first half of 1991, China approved a total of 238 Japanese investments projects in



China or an increase of 71.2 percent over that of the same period last year. The investments capital covered by the agreements amount to \$260 million while actual capital input totals \$160 million, an increase of 136 percent and 60 percent, respectively, over those of the same period last year. By the end of June this year, there were a total of 1,530 Japanese investments in China, with investment capital covered by the agreements at \$3.35 billion and actual capital input at \$2.6 billion. Among the countries and regions with investments in China, Japan's investments ranks next to China's Hong Kong-Macao and Taiwan regions and the United States. Most of the Japanese enterprises in China are operating excellently. In 1990, four of the 10 top foreign exchange earning foreign-funded enterprises in China were Japanese-funded enterprises.

Cooperation between China and Japan is also running smoothly in terms of capital. Cooperation concerning Japanese yen-denominated loans, grants, energy loans, budgetary loans, or commercial bank loans is excellent as it plays a great role in improving China's key development domains like energy and transportation.

Economic and trade relations between China and Japan is excellent and is moving toward an even better direction. However, even as this fundamental assessment is affirmed, it is also necessary to talk about a few problems in the hope that they will be resolved through the concerted efforts of both China and Japan.

1. In Sino-Japanese economic and trade relations, technological trade remains less than satisfactory. Starting in 1987, Sino-Japanese trade in technology has declined drastically for four consecutive years and the downward trend continues from January to June of this year. According to our country's Eighth Five-Year Plan and 10-Year Plan, China will readjust its import commodities structure by spending its limited foreign exchange on the importation of advanced technology and key facilities. The expansion of China's importation of Japanese technology will form an important part of this effort. I hope that Japan's economic and trade circle will work more on this area and I also hope that the Japanese Government will relax certain unnecessary restrictions concerning the export of technology to China as well as simplify examination procedures and shorten the period of assessment.

2. While Japanese investments to China show a growing trend, they represent only 1 percent of Japan's overseas investments. At the same time, Japan's current investments in China are dominated by medium-sized and small enterprises. China's political and social stability as well as its economic development is clear for all to see, while its investment climate is also improving continuously. I hope that the entrepreneurs in both countries will exert further efforts to promote greater Japanese investments in China.

3. Since 1991, China's commodity imports from Japan have grown substantially. As this is the first year in our

implementation of the Eighth Five-Year Plan, some major construction projects will be put into operation gradually, while industrial and agricultural production will continue to develop in a sustained, stable and coordinated fashion. Hence, import-export trade will be very robust.

Along with the smooth implementation of the third Japanese yen-denominated loans and the return to normalcy of premium rates for Japan's export trade to China, Japan's exports to China are expected to rise. To maintain this momentum, I hope that Japan will continue to expand its imports from China. On its part, China will continue to strive to improve the quality of its export commodities, conscientiously honor its contracts, and develop more commodities which meet the needs of the Japanese markets. At the same time, I hope that the Japanese side will actively consider lowering tariff rates on Chinese commodities imported to Japan, relax quota restrictions, and abolish limitations.

Both China and Japan belong to the Far Eastern Asian region, a region rich in all kinds of factors of production needed in the development of international economic cooperation, hence the possibility for complementary economic ties is strong. The present development in the international situation also provides very favorable conditions for trade, economic, and technological cooperation in the far eastern Asian region. The entrepreneurs of the various countries in this region are now seeking ways to engage in multilateral economic cooperation and exploring economic strategies for joint development. As the bases of heavy industry in China, the three northeastern provinces of China possess solid material and technological foundation, but these bases now suffer from outdated technology and antiquated facilities. Hence, there is an urgent need for technological innovation. As an industrially developed country in Far East Asia, Japan has enormous capital and strong technical forces. I hope that Japan will make the necessary contributions toward the formation and development of the Far East Asian economic circle.

Talking about technological trade and cooperation will invariably involve the question of the protection of intellectual property rights. Following the introduction of reform and opening up, our government has laid great emphasis on work concerning the protection of intellectual property rights. In 1982, China promulgated the "Trademarks Act". A few years later, it again promulgated and implemented the "Implementing Guidelines to the Trademarks Act," "Patent Act" and its "Implementing Guidelines," "Copyright Act" and its "Implementing Guidelines." On 1 October this year, it also began implementation of the "Regulations on Protection of Computer Softwares." Furthermore, our country is presently drafting the "Act Against Unfair Competition" and "Regulations on Integrated Circuit Core Diagram and Design." The promulgation and implementation of this series of laws and regulations marked the fundamental establishment of an intellectual property rights structure in our country.

Legislation concerning intellectual property rights in our country takes into consideration the conditions in China and also abides by international practices. Multilateral cooperation was carried out extensively with international property rights organizations in the areas of patents, trademarks, and copyrights. At the same time, bilateral cooperation was also launched with Japan, Germany, the United States, Britain, France, and other countries. Starting in 1980, our country became signatories to the World Intellectual Property Organization (WIPO), "Paris Convention on Protection of Industrial Property Rights," and the "Madrid Agreement on Registration of Trademarks." We have complied seriously with the obligations of a member-state and have observed their fundamental principles. The legal system on intellectual property rights already set up in our country has a fairly high standard and complies fundamentally with modern international rules and regulations. It can effectively uphold the legitimate rights concerning patents, trademarks, and copyrights. The China Council for the Promotion of International Trade has been designated by the Chinese Government as the agent for patents and trademarks involving foreign countries. In recent years, our council has set up very good professional ties with companies from many countries and regions as well as with international property rights organizations. The aforementioned shows that China is serious in the protection of intellectual property rights and that there are legal guarantees in carrying out technological trade as well as technological exchanges and cooperation with China.

Both China and Japan are major Asian powers. The development of friendly ties between the two countries will not only have a great impact on peace and prosperity in Asia, but will also exert a great influence on the stability and economic development of the world. The year 1992 marks the 20th anniversary of the normalization of diplomatic relations between China and Japan. It is hoped that both China and Japan will take this opportunity to work harder so that Sino-Japanese trade relations will develop soundly in the direction of balanced expansion.

### Southeast Asia & Pacific

#### XINHUA Views Attack Against SNC Members

##### Son Sann 'Unhappy' Over Attack

*OW2811055591 Beijing XINHUA in English  
0531 GMT 28 Nov 91*

[Text] Bangkok, November 28 (XINHUA)—Son Sann said Wednesday in Phnom Penh that he was "very unhappy" over the bloody incident occurred the same day in Phnom Penh in which Khieu Samphan was attacked.

In an interview with the Thai english paper "THE NATION" following the bloody incident, Son Sann, a member of the Supreme National Council of Cambodia

(SNC), said that the attack would prove to be "an obstacle to the implementation of the Paris peace accord."

He called for the immediate deployment of the UN Transitional Authority in Cambodia (UNTAC) to secure the implementation of the peace agreement.

Son Sann said the immediate task was for the SNC to meet as soon as possible to discuss the situation following the incident.

Meanwhile, Thai Prime Minister Anan Panyarachun said Wednesday night that he hoped the Cambodian factions would be able to find a way out of the present quagmire.

"The Khmer Rouge cannot be rejected. They are part of the Cambodian peace plan," Anan said while commenting the attack against Khieu Samphan.

Anan said Thailand is considering the request made last night by Samdech Norodom Sihanouk that the SNC to hold an urgent meeting in Bangkok.

Thai Foreign Minister Asa Sarasin urged last night the four Cambodian factions to work out ways to guarantee the safe returns of the Khmer Rouge leaders to Phnom Penh.

Lt Gen [Lieutenant General] Wallop Chitarisk, Thai military spokesman, also expressed concern last night over the incident, saying the incident would stall the U.N. plan to repatriate more than 350,000 Cambodian refugees now living along the Thai-Cambodian border.

Khieu Samphan, a member of the SNC and arrived earlier Wednesday in Phnom Penh to attend the SNC meeting, returned to Bangkok last night following the incident, in which he was injured.

#### Further Details on Attack

*OW2811092191 Beijing XINHUA in English 0855  
GMT 28 Nov 91*

[Text] Phnom Penh, November 27 (XINHUA)—Khieu Samphan, a member of the Supreme National Council of Cambodia (SNC), was attacked and wounded here today shortly after his arrival from Bangkok and was forced to return to Bangkok.

Another SNC member of Democratic Kampuchea, Son Sen, who came here earlier this month, has also left today with his entourage because of the attack.

Upon his arrival here from Bangkok earlier this morning, Khieu Samphan told reporters at the airport, "I am very happy to be back here as a member of the SNC. We long for peace and independence."

He said he, together with all other SNC members and President Samdech Norodom Sihanouk, would fully implement the Paris peace instruments on Cambodia.

A few minutes after Khieu Samphan reached his hotel, where Son Sen was staying, thousands of people came along and surrounded the hotel, breaking doors and windows with stones, clubs and iron objects.

Although the hotel was guarded by soldiers and policemen, some people pushed the wall over, rushed into hotel rooms, took out furniture and all the luggage belonging to people of the Democratic Kampuchean side and burned them in the street.

Khieu Samphan and a few other members of Democratic Kampuchea were wounded.

Hun Sen, an SNC member of the Phnom Penh regime, said earlier that when the Khmer Rouge returned, there could be demonstrations but that he could not suppress the people.

Hun Sen arrived at the scene at around noon and told the crowds through a loudspeaker repeatedly that Khieu Samphan and Son Sen would be sent back to Bangkok.

Khieu Samphan, Son Sen and other Democratic Kampuchean members were forced to leave the hotel and returned to Bangkok by a special plane.

#### **Cambodian Refugees Protest Attack**

OW2911123791 Beijing XINHUA in English  
1203 GMT 29 Nov 91

[Text] Bangkok, November 29 (XINHUA)—More than 4,000 Cambodian refugees in No. 8 refugee camp staged a demonstration today to protest against the bloody incident [which] occurred Wednesday in Phnom Penh in which the Democratic Kampuchea party leader Khieu Samphan was attacked and injured.

Reports reaching here today from Thailand's eastern border town of Aranyaprathet said the demonstrators voiced their indignation at such incident, saying the incident reflected that the Phnom Penh side wanted to create obstacle for the peace settlement of the Cambodian problem.

Khieu Samphan, a member of the Supreme National Council of Cambodia (SNC), arrived in Phnom Penh Wednesday to attend the SNC meeting, but was forced to return here the same day following the incident.

The No. 8 refugee camp is one of the eight refugee camps along the Thai-Cambodian border. There are now about 370,000 Cambodian refugees living in these camps waiting repatriation back to their homeland.

The refugees demonstrated peacefully inside the camp and no violation act occurred, the reports said.

#### **Overseas Cambodians Condemn Attack**

OW2811100991 Beijing XINHUA in English  
0925 GMT 28 Nov 91

[Text] Paris, November 27 (XINHUA)—Overseas Cambodians in Europe and America strongly condemned

Wednesday's attack on members of the Supreme National Council of Cambodia (SNC) in Phnom Penh.

In a joint press release issued today, the Friendship Association of Overseas Cambodians and over 10 other similar Cambodian societies said the violence seriously violated the Paris peace accords and threatened their implementation.

Shortly after Khieu Samphan, a member of the SNC, arrived in his hotel in Phnom Penh Wednesday morning, thousands of people came along and surrounded the hotel, breaking doors and windows with stones, clubs and iron objects.

Son Sann, another SNC member from the Democratic Kampuchea side, was staying in the same hotel.

Although the hotel was guarded by soldiers and policemen, some people pushed the wall over, rushed into hotel rooms, took out furniture and all the luggage belonging to people of the Democratic Kampuchean side and burned them in the street.

Khieu Samphan and a few other members of the Democratic Kampuchea were wounded.

The release said, "all factions in Cambodia and all the signatories to the accords should be responsible to history and to the suffering Cambodian people and stick to the accords."

The release asked all signatories to the accords and all sides of Cambodia to condemn the attack and take measures to prevent such violence from happening again.

It also urged the United Nations to send immediately civil and military personnel to Cambodia to supervise the implementation of the Paris peace accords.

#### **Commentary Views Tasks of Cambodian Reconstruction**

HK2811114891 Beijing RENMIN RIBAO in Chinese  
24 Nov 91 p 6

["Commentary" by staff reporters Wang Rongjiu (3769 2837 0036) and Zhang Zhuji (1728 4376 1015): "Burden Is Heavy and Road Is Long in Cambodia Reconstruction"]

[Text] Phnom Penh, 22 Nov (RENMIN RIBAO)—In the month since the signing of the Cambodian Peace Treaty, some new progress has been achieved in the process of seeking a political solution to the Cambodian issue.

First, in accordance with the Paris Treaty, the Supreme National Council [SNC] of Cambodia is recognized as the only legitimate supreme power organ of Cambodia during the transition period. Headed by Prince Norodom Sihanouk, the SNC is headquartered in Phnom Penh. On 14 November, Prince Norodom Sihanouk returned to Phnom Penh where he had not set foot for more than a decade and began to lead the SNC in



performing its functions. So far, Prince Norodom Sihanouk has accepted the credentials from the special envoys of seven countries accredited to the council, including France, Australia, Thailand, Korea, Japan, the United States, and Britain. He also met on separate occasions with governmental delegations from Thailand and France, each headed by the foreign minister. All this shows that during the transition period before the holding of a general election, which will be organized by the United Nations, SNC has already begun to function in the capital of Cambodia.

Secondly, following the return of Prince Norodom Sihanouk, other SNC members also returned to Phnom Penh one after another, such as Son Sen, Son Sann, and Ieng Moulin. Another SNC member Khieu Samphan is also scheduled to meet other members in Phnom Penh in the next few days. The members of all factions have all expressed their willingness to observe and implement the Paris Treaty, among whom some have even made contacts with each other. It is a vital step in the implementation of the Paris Treaty that 12 members have gathered in Phnom Penh to lay a foundation for SNC's first meeting in Cambodia's capital.

Third, starting 9 November, the advance forces and power organs of the United Nations for Cambodia's transition period began to garrison in Cambodia to carry out the biggest peace action in the history of the United Nations. This will provide a significant international guarantee for the implementation of the Paris Treaty. According to leaders of the advance forces, because all factions are willing to cooperate, the UN advance forces have carried out their work very smoothly so far and feel optimistic that they can fulfill their mission successfully.

This being the case, the tasks to implement the Paris Treaty, realize peace inside Cambodia, and reconstruct the country are nevertheless extremely arduous. On 15 November, Prince Norodom Sihanouk pointed out when he accepted credentials from the French ambassador: "The peace in Cambodia is still very fragile, for everything depends on the sincerity of all factions involved, especially on the effectiveness of supervision conducted by the United Nations."

Chaos caused by wars have lasted for more than a decade in Cambodia, and all factions have had strong resentment against one another. Since the signing of the Paris Peace Treaty, the Phnom Penh side has often had friction on the battlefields with other Cambodian forces. In addition, these factions also have different understandings on some issues of principle concerning the peace treaty. Under such circumstances, all factions are expected to take the whole situation into account, exercise mutual understanding and accommodation, and seek consensus on issues concerning an early implementation of the peace treaty. This not only conforms with the aspirations and fundamental interests of the Cambodian people, but will also open up magnificent prospects for easing the tension and conflicts of the region, safeguarding regional peace, and stabilizing and promoting

economic cooperation between all countries. Over the past many years, not even one side ever managed to win victory over others with military means. This shows that only by adopting a political solution and acting in observance of the Paris Treaty can peace become reality in Cambodia and its people have the hope to return to their homeland. In addition, according to the Paris Treaty, during the transition period, the UN power organs will take part in and supervise the administrative management of Cambodia; impose direct control over those institutions which may have a direct influence on the results of the general election, including administrative departments, organizations, and organs in charge of Cambodia's foreign policy, national defense, finance, public security, and propaganda, and exercise necessary supervision over departments other than the aforementioned ones; observe the withdrawal of foreign troops from Cambodia, supervise cease-fire and the cease of foreign military aid, and help the four major factions to cut down at least 70 percent of their troops and weaponry, and demobilize or redesignate the rest as a unified national army; and organize and officiate the general election. This is an extremely arduous and complicated task. The power organs of the United Nations have yet to be set up and only the UN advance forces have begun to garrison in Cambodia. The United Nations is faced with severe trials as to whether or not it can give full play to its roles in organization, material supply, and coordination. Moreover, issues such as resettling refugees, promoting the economy, and reconstructing homeland are also knotty problems.

Cambodia has already greeted the dawn of peace. However, the process of reconstructing Cambodia is an arduous task and a long road. People all hope that the Cambodian people and all factions in Cambodia can observe the spirit of the Paris Peace Treaty and build Cambodia into a peaceful, independent, nonaligned, and prosperous new country at an early date.

#### Visiting Micronesian Delegation Meets Wan Li

OW2711143191 Beijing XINHUA in English  
1309 GMT 27 NOV 91

[Text] Beijing, November 27 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress (NPC), met here this evening with a delegation from the congress of the Federated States of Micronesia, headed by its speaker Jack Fritz.

Micronesia is a newly independent country in the South Pacific.

Wan extended a warm welcome to the first delegation from Micronesia to visit China, and said he was sure that the first contact between the parliaments of the two countries would promote and strengthen the mutual understanding, friendship and co-operation between the two countries and their peoples.

He briefed the visitors on China's foreign policy, saying that China consistently holds that all countries, big or



small, rich or poor, should be on an equal footing in the international arena and they should develop their friendly and co-operative relations on the basis of the Five Principles of Peaceful Coexistence.

Fritz said he highly appreciated China's stand in this regard. He said that during his stay in China he has witnessed the achievements of the Chinese people in building their country and the meticulous care of the Chinese Government for its people.

Wan and Fritz expressed their common desire to increase exchanges between the two parliaments and develop their economic and trade relations.

Following the meeting Wan hosted a dinner for the Micronesian visitors.

This morning Vice-Chairman of the NPC Standing Committee Lei Jieqiong held talks with the delegation.

The delegation arrived in China November 22 for an official and friendly visit at the invitation of the NPC Standing Committee. The visitors had toured Hangzhou, Ningpo and Nanjing.

### Meets Yang Shangkun

OW2811115691 Beijing XINHUA in English  
1131 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Chinese President Yang Shangkun stressed here today that all countries should respect each other's sovereignty and treat each other on an equal basis.

Yang made the remarks when meeting with a visiting delegation from the Congress of the Federated States of Micronesia led by Speaker of the Congress Jack Fritz.

In its foreign policy, Yang said, China pays the greatest attention to the following two principles: first, respecting the sovereignty of other countries and the right of their people to decide their own affairs, and allowing no interference in the internal affairs of other countries. And second, all countries, large or small and rich or poor, should treat each other as equals.

He noted that China has observed these principles in the past and will continue to do so in the future.

China, he added, is willing to develop friendly and cooperative relations with other countries on the basis of the five principles of peaceful coexistence. He noted that China has paid importance to developing its relations with the countries of the South Pacific.

The Chinese president pointed out that China and Micronesia have no conflict of fundamental interests, but have sincere cooperation. Since the establishment of diplomatic ties in 1989, Yang added, China and Micronesia have enjoyed good relations. The exchange of visits between their leaders has helped promote economic cooperation between the two countries.

Since Micronesia joined the United Nations this year, the Chinese president said, China and Micronesia can exchange their views within the forum of the international organization in order to develop their bilateral relations in all fields.

Fritz said that Micronesia highly appreciates China's support for its membership in the United Nations.

On his visit to China, he said that China has impressed him with its success and its care for the people. The Chinese Government is a government of the people.

Yang said that since China adopted an open policy 10 years ago, the Chinese people have concentrated on economic construction and great changes have taken place in the country. But as a large country, China is still not strong enough in terms of its comprehensive strength. China wants to develop by opening its door wide to the outside world.

Lei Jieqiong, vice-chairman of the Standing Committee of China's National People's Congress, attended the meeting.

Earlier, Chinese Vice-Foreign Minister Tian Zengpei met with the delegation.

After concluding its official goodwill visit to China, the delegation will leave Beijing tomorrow.

### Deputy Secretary Meets Lao Party Delegation

SK2911120591 Tianjin TIANJIN RIBAO  
in Chinese 10 Oct 91 p 1

[Text] On the evening of 9 October, at Lishunde Hotel, Liu Jinfeng, deputy secretary of the Tianjin Municipal CPC Committee, cordially met with the delegation of the higher party and political school under the Lao People's Revolutionary Party, headed by Sileua Bounkham, member of the Central Committee of the Lao People's Revolutionary Party and president of the higher party and political school.

The Lao guests arrived in Tianjin for a visit on the morning of 9 October. After arriving in Tianjin, the guests visited the Tianjin Economic and Technological Development Zone and the Tianjin Station, and went sight-seeing in the city. During the reception, Liu Jinfeng, on behalf of the Tianjin Municipal CPC Committee and the party school under the municipal party committee, extended welcome to the delegation on its visit to Tianjin, and briefed the guests on the related situation of Tianjin. Sileua Bounkham highly appraised the achievements scored by Tianjin in reform and opening-up, and expressed the will of learning more about Tianjin's situation, the situation of the party school in particular, to strengthen the friendship between the two sides.

Geng Jianhua, deputy director of the municipal foreign affairs office, and Yang Maochang and Hao Keming, vice presidents of the party school under the municipal

party committee, attended the reception. While in Tianjin, the delegation also visited Daqiu Huang, and talked with pertinent comrades of the party school under the municipal party committee.

#### **Holding Company Opens Trading Office in Singapore**

OW2811182391 Beijing XINHUA in English  
1556 GMT 28 Nov 91

[Text] Singapore, November 28 (XINHUA)—China Resources Holdings Company officially opened a new branch here today.

Zhou Bin, managing director of China Resources Petrochem (Singapore) PTE Ltd. said at the opening reception tonight that the company would try to develop the petroleum and petrochemical products trading business between Singapore and Hong Kong as well as Singapore and the Chinese mainland.

He said that the company has already been granted approved oil trader status by the Trade Development Board of Singapore.

Shu Youlan, vice chairwoman and president of China Resources Holdings Co. Ltd., Zhang Qing, Chinese ambassador to Singapore and some 200 guests attended the reception.

So far, over 40 international oil trading firms have been awarded oil trader status, including China National Chemicals Import and Export Corporation.

### **Near East & South Asia**

#### **Li Peng Expresses Mideast Peace Forum Support**

OW2911070091 Beijing XINHUA in English  
0621 GMT 29 Nov 91

[Text] Beijing, November 29 (XINHUA)—Chinese Premier Li Peng Thursday sent a message of congratulations to the opening of the meeting for commemorating the international day of solidarity with the Palestinian people.

The message expressed China's support for the Palestinian people in their just struggle for the restoration of their legitimate national rights.

"The legitimate national rights of the Palestinian people should be restored, the occupied Arab territories returned," the message said.

Meanwhile, "the sovereignty and security of Israel should be respected and guaranteed," it said.

The question of Palestine, the crux of the Middle East question, should be settled "in accordance with the relevant U.N. resolutions, especially Security Council Resolutions 242 and 338," it said.

The message praised the Madrid Middle East Peace Conference, describing it as the "beginning of a new

phase of the Middle East peace process and a good start for a political settlement of the Middle East question."

It hoped that "substantive progress will be made at the negotiations that started at the Madrid Middle East Peace Conference."

"China is ready to make its own contributions to the ultimate fair and reasonable settlement of the Palestinian issue and the Middle East issue in general and the realization of peace and tranquility in that region," the message concluded.

#### **Government Invites Israeli Group to Exhibition**

TA2811165091 Jerusalem Qol Yisra'el  
in Hebrew 1400 GMT 28 Nov 91

[Text] The PRC has invited an Israeli delegation to visit the trade exhibition that will be held in Shanghai in March 1992. Our correspondent Sheli Yehimovitch reports that the invitation was delivered to Dani Gillerman, the president of the Union of Chambers of Commerce, who is currently touring China with an Israeli delegation.

#### **Bangladesh Education Minister Meets Science Group**

OW2811224291 Beijing XINHUA in English  
1300 GMT 28 Nov 91

[Text] Dhaka, November 28 (XINHUA)—Bangladesh Education Minister B. Zamiruddin Sircar today expressed the hope that the scientific and technological cooperation between his country and China could be strengthened further, and Bangladesh's "door for cooperation is always open to China".

The minister made this remark while meeting the Chinese science and technology delegation led by Chen Zutao, vice-chairman of Chinese State Science and Technology Commission, which arrived here Wednesday night.

The delegation is here to discuss and sign a protocol for 1991-92 under the Bangladesh-China Science and Technology Cooperation Agreement signed in Beijing last year.

According to sources, the cooperation in science and technological fields between the two countries, will cover agriculture, jute, medicinal herbs, genetic engineering, energy and chemical industries.

The delegation will visit Bangladesh Council for Science and Industrial Research, Agriculture Research Institute, Atomic Energy Commission and Jute Research Institute.

They will have discussions in details with Bangladesh scientists on science and technology interchange and development in the future and other topics with mutual concern.

### **XINHUA Interviews Sri Lankan Official**

OW2811045291 Beijing XINHUA in English  
0437 GMT 28 Nov 91

[Text] Colombo, November 28 (XINHUA)—The first batch of Sri Lankan refugees will return home from India before the end of the year, according to a source from the Ministry of Rehabilitation here today.

The source told XINHUA in a telephone interview that between 300 and 600 of the Sri Lankan refugees at present in India will return home next month.

There are about 200,000 Sri Lankan Tamil refugees in Tamil Nadu, southern India. Of them, nearly 115,000 live in some 200 refugee camps, while the others live on their own throughout the state.

Many refugees have been there since 1983, when a Tamil separatist campaign erupted in the north and east Sri Lanka, triggering a violent backlash which forced civilians to flee to India.

Sri Lanka is hoping to complete bringing down all these refugees as soon as possible, the source said.

Bringing back all refugees will cost about 34 million U.S. dollars, the source added.

### **Sub-Saharan Africa**

#### **NPC Delegation Arrives in Namibia for Visit**

OW2711151191 Beijing XINHUA in English  
1406 GMT 27 NOV 91

[Text] Windhoek, November 27 (XINHUA)—A delegation of the Chinese National People's Congress (NPC) led by Sun Qimeng, vice-chairman of the NPC Standing Committee, arrived here this afternoon for a week-long visit to Namibia.

The Chinese NPC delegation, which came here at the invitation of the Namibian National Assembly, were welcomed at the airport by Zephania Kameeta, deputy speaker of the Namibian National Assembly.

In a press statement at the airport, Sun said: "China and Namibia enjoy very friendly relations. Prime Minister Hage Geingob's successful visit to China not long ago gave further impetus to our relations. The Chinese people have great admiration for heroism of the Namibian people in their struggle and construction. We have come to Namibia with the sincere hope of promoting the links and cooperation between our two parliaments and enhancing the mutual understanding and friendship between our two peoples."

Chinese Ambassador to Namibia Ji Peiding, diplomats of the Chinese Embassy here and representatives of the Chinese enterprises and companies in Namibia were also present at the airport to welcome the delegation.

### **Delegation Feted**

OW2711225691 Beijing XINHUA in English  
2134 GMT 27 Nov 91

[Text] Windhoek, November 27 (XINHUA)—Speaker of the Namibian National Assembly Mose Tjitendero gave a reception here this evening in honor of a delegation of the Chinese National People's Congress headed by Sun Qimeng, vice-chairman of its Standing Committee.

Tjitendero extended his warm welcome to the first delegation dispatched by the Chinese National People's Congress to visit Namibia.

He expressed the belief that the current visit of the Chinese National People's Congress delegation would further strengthen the relations between the two countries.

Sun Qimeng said at the reception that China and Namibia had similar sufferings in the past and they now had the same task of developing economy, improving the living standards of their peoples and safeguarding peace.

Among those present at the reception were Namibian Prime Minister Hage Geingob, several cabinet ministers and members of the National Assembly.

### **Received by President Nujoma**

OW2811190891 Beijing XINHUA in English  
1813 GMT 28 Nov 91

[Text] Windhoek, November 28 (XINHUA)—Namibian President Sam Nujoma received here today the visiting Chinese delegation of the National People's Congress (NPC).

During his meeting with the Chinese NPC delegation headed by Sun Qimeng, vice-chairman of the NPC Standing Committee, Nujoma expressed his gratitude to the Chinese people for their support to the struggle of the Namibian people for the national independence.

He said that before independence the Namibian people learned a lot from the Chinese revolution and today they have to learn the experiences of the Chinese people in construction.

"We admire you that China are now able to feed her people with a population of more than 1.1 billion," he said.

After the reception, Nujoma gave a luncheon in honour of the Chinese delegation.

Earlier today, Prime Minister Hage Geingob and Foreign Minister Theo-Ben Gurirab held separate meetings with the Chinese delegation, which arrived here on Wednesday for a week-long visit.



**West Europe****UK Minister Begins 'Familiarization Tour'**

HK2811041291 Hong Kong SOUTH CHINA  
MORNING POST in English 28 Nov 91 p 3

[By John Kohut in Beijing]

[Text] Beijing has made a strong impression on Lord Caithness, the British minister with responsibility for Hong Kong, delighting him with its crisp air and magpies.

"It's beautifully fresh and crisp," Lord Caithness remarked to Mr Tian Zengpei, China's Vice-Foreign Minister in charge of European affairs, during a photo session yesterday at the Diayutai state guest house.

"And I must say driving through here, coming through the gate, how beautiful this looked. Even when there's ice on the water, it has a special appeal," said Lord Caithness. He arrived in Beijing yesterday for an eight-day familiarisation tour.

Lord Caithness, who recently said that the thing he delighted in most while at school was "heather and game", also showed great interest in the animals kept at the guest house.

"I also noticed some magpies when I came in. They are a very attractive bird," said Lord Caithness, accompanied by the British Ambassador to Beijing, Sir Robin McLaren and other members of the embassy.

He was delighted to hear from Mr Tian that in China, the magpie is considered a lucky bird.

Among the substantive issues which Lord Caithness is expected to raise during his talks are human rights, following up on British Prime Minister Mr John Major's September visit to Beijing during which he sought an accounting of political prisoners and vowed to keep up "unrelenting, unremitting pressure" for improvement in China's human rights.

Lord Caithness is also expected to talk about the work of the Joint Liaison Group, which has become bogged down even though Britain and China agreed early this year to accelerate the pace of its work.

However, his visit is being described as primarily a familiarisation tour, and no breakthroughs are expected.

Today Lord Caithness is scheduled to meet Chinese Foreign Minister Mr Qian Qichen, Vice-Premier Mr Zou Jiahua, and the State Council's Director of Hong Kong and Macao Affairs Mr Lu Ping. On Saturday, he leaves for Xian after which he will visit Shanghai, Guangzhou and Shenzhen before arriving in Hong Kong on December 5.

**Meets Zou Jiahua**

OW2811111291 Beijing XINHUA in English  
1040 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Lord Caithness, British secretary of state for foreign and commonwealth affairs, at the state guesthouse here this afternoon.

They exchanged views in a penetrating way on the further development of economic and technological cooperation between china and Britain.

Both sides agreed the prospects for bilateral cooperation, which covers a wide range of areas, are good.

Zou welcomed British companies to invest and run joint ventures in China and transfer technology to China.

He expressed the belief that such forms of cooperation will benefit both parties.

Lord Caithness agreed to Zou's view, hoping both sides will make common efforts in promoting bilateral economic cooperation and trade.

Lord Caithness and his wife arrived here Wednesday for a visit at the invitation of Chinese Vice-Minister of Foreign Affairs Tian Zengpei.

Wednesday afternoon, Tian held talks with him.

This morning, Qian Qichen, state councilor and minister of foreign affairs, met with the British secretary of state.

**Feted by Lu Ping**

OW2811120391 Beijing XINHUA in English  
1147 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Lu Ping, director of the Hong Kong and Macao Affairs Office under the State Council, met and had a friendly talk with visiting British Secretary of State for Foreign and Commonwealth Affairs Lord Caithness here this evening.

The meeting was followed by a dinner hosted by Lu in honor of the British secretary of state and his wife and their party.

**Views Topic of Jailed Residents**

HK2911032491 Hong Kong THE STANDARD  
in English 29 Nov 91 p A-3

[By Cheung Po-ling in Beijing]

[Text] Lord Caithness, the British Foreign Office Minister with Special Responsibility for Hong Kong, said yesterday he had "very constructive" talks with the Chinese side on the release of four jailed Hong Kong residents.

Lord Caithness was satisfied with his two days of talks in Beijing, despite the absence of any firm commitment from Hong Kong and Macao Affairs Office Director Lu Ping on the release.

"I raised the question of the release outright with Mr Lu," Lord Caithness said.

"I didn't get a specific date but I'm not upset because the talks were extremely constructive.

"They did explain the situation to me and I explained my concerns."

Lord Caithness said he hoped the release of four Hong Kong residents detained on political grounds would be soon.

"The Chinese have made clear that they will take into account what I have said (on human rights)," he said.

Lord Caithness said the atmosphere between he and his hosts was "extremely positive, constructive, friendly and harmonious".

Mr Lu said both sides had reached consensus on some issues.

Mr Lu indicated a "common consensus" was that the Hong Kong Government administration should be guided by the Executive Council in future, the way it was now.

"Such a political system has been spelled out in the Basic Law and the Sino-British Joint Declaration and it has proved to be an effective one to ensure a powerful and efficient government," Mr Lu said.

Lord Caithness will arrive in Hong Kong on 7 December.

**Political & Social****Two 'Counterrevolutionary' Figures Released***HK2911112591 Beijing XINHUA in English  
1051 GMT 29 Nov 91*

[Text] Beijing, November 29 (XINHUA)—China today released the two men, Wang Youcai and Han Dongfang, who were involved in the counter-revolutionary rebellion in 1989, according to government department here today.

Wang Youcai, a former post-graduate student of the physics department of Beijing University, who was sponsored by his working unit, had been sentenced to a four-year imprisonment, deprived of political rights for one year, for his involvement in the counter-revolutionary rebellion in 1989.

Owing to the fact that he later showed behaviors of repentance, he was released on parole today in accordance with the stipulations of Article 73 of China's criminal law.

Han Dongfang, a former employee of the Fengtai section of the Beijing Railway Bureau, had been arrested for his involvement in the counter-revolutionary rebellion in 1989. He was later released on bail for medical treatment.

Because of the fact that he had actually turned himself in, the Beijing Municipal Procuratorate announced today that he has been exempted from prosecution, in accordance with the stipulations of Article 101 of China's criminal procedure law.

**Sources Say Trial of Five Dissidents Under Way***HK2911021191 Hong Kong THE STANDARD  
in English 29 Nov 91 p A-1*

[By Terry Cheng]

[Text] The trial of five prodemocracy activists, including a student leader and a former reporter, began in Beijing yesterday, according to informed sources.

It is the first trial of dissidents since the visit to Beijing earlier this month by the American Secretary of State, James Baker, who discussed human rights issues with Chinese officials.

Reported to have gone on trial in the Beijing Intermediary People's Court are student leader Zhai Weimin, former PEOPLE'S DAILY [RENMIN RIBAO] reporter Wu Xuecan and three others. Zhai and Wu have been charged with offences relating to "counter-revolutionary propaganda and instigation".

Zhai, a former student at the Beijing Institute of Economics, was on the list of 21 most wanted student leaders.

Wu was involved in the publication of a special edition of the PEOPLE'S DAILY on 19 May 1989.

It carried a speech by now disgraced General Secretary Zhao Ziyang.

Zhao's speech expressed sympathy for the student demonstrators.

**Dai Qing Case Causes Yang-Li 'Conflict'***HK2911080191 Hong Kong CHENG MING in Chinese  
No 170, 1 Dec 91 pp 9-10*

["Notes on a Northern Journey" column by staff reporter Lo Ping (5012 0393): "Dai Qing Event Sparks Conflict Between Yang, Li"]

[Text] Baker, Baker, Baker.... [ellipses as published]

Dai Qing, Dai Qing, Dai Qing.... [ellipses as published]

When the tentacles of overseas media went from Seoul to Beijing on James Baker's tail, the common people in Beijing were totally in the dark about this travel-weary U.S. secretary of state's latest trek.

**"Something Went Wrong Again With Dai Qing?"**

While the radio waves from Hong Kong and New York to the city of Beijing were constantly sending messages looking for Dai Qing, a Beijing resident, who was answering the phone, began not with an answer, but with this question: "Did something go wrong again with Dai Qing?" The last time something went wrong with Dai Qing was after the 4 June incident. She was later released from Qincheng Prison and went home more than a year ago.

That Baker and Dai Qing became newsmakers at the same time reminds one of the old case wherein Bush and Fang Lizhi could not carry out their scheduled open meeting in the Changcheng Hotel. The latest event is but a repetition of history: After Dai Qing accepted the U.S. proposal and was going to meet Baker or his assistant, she was kidnapped by public security personnel and disappeared for four days.

"Do you have any idea where Dai Qing went?"

"Did something go wrong again with Dai Qing?"

"She is missing. Could you please help...." [ellipses as published]

"You can phone GUANGMING RIBAO and ask them."

"We did, but they said they knew nothing."

**GUANGMING RIBAO Chiefs Act Under Orders**

It is true that GUANGMING RIBAO's ordinary staff knew nothing about it but their chiefs were in the know. They, as ordered, sent some of their personnel in a GUANGMING RIBAO car to a place three hours' drive from Beijing. The latter then took over Dai Qing from a

dozen public security people and escorted her to Beidaihe for a "rest," to prevent Dai Qing from meeting Baker's assistant.

One can imagine that this act, which was far more absurd and clumsy than any tricks played on April Fool's Day, put on by the CPC will trigger strong scorn and discontent abroad. News about this farce also circulated in the political and intellectual circles in Beijing. The reaction from the cadres was: We have to study human rights (referring to the White Paper) but the reality is anti-human rights!

#### **Public Security Personnel Were Instructed by Beijing Municipal CPC Committee To Kidnap Dai Qing**

The news reached Deng Xiaoping and Yang Shangkun. Probably entrusted by Deng, Yang investigated this "case."

It was under the instructions of Beijing Municipal CPC Committee that Beijing Public Security Bureau kidnapped Dai Qing.

Even before Baker arrived in Beijing on 15 November, the Beijing Municipal CPC Committee held a meeting to discuss and try to figure out ways to cope with the possible "antigovernment incidents" in Beijing during Baker's visit. Afterward, the Beijing Municipal CPC Committee and the Central Propaganda Department produced a list of names. Li Ximing, Beijing Municipal CPC Committee secretary, instructed public security personnel to keep a close watch on 52 dissidents, including Dai Qing and Hou Xiaotian (Wang Juntao's wife) before, during, and after Baker's China visit (starting 10 November).

The Public Security Bureau used such measures as shadowing and wiretapping on Dai Qing and contacted GUANGMING RIBAO for cooperation.

#### **Without an Arrest Warrant, Public Security Had To Go Through Back Door**

On 13 November, the public security obtained information from wiretapping that the U.S. side was going to arrange for Baker to meet the dissidents. Therefore, they tightened their watch on Dai Qing.

On the morning of 16 November, Dai Qing went to the Minzu Hotel, ready to contact the U.S. side. Public security, conversant with the principle that "he who strikes first gains the advantage," had a dozen men, in uniform and plain clothes, carry Dai Qing away by force through the back door of the Minzu Hotel without showing a warrant. Subsequently, as described earlier, they engaged in a cover-up which a three-year-old could see through, to give the impression that it was GUANGMING RIBAO's internal affair and had nothing to do with public security.

#### **Yang Shangkun Says Dai Qing Incident Puts Us in Passive Position**

When he learned of this, Yang Shangkun was very unhappy about this most stupid act by Beijing's public security. On 19 November, Yang Shangkun grumbled in front of some Political Bureau members, saying: "Dai Qing's case has put us in a very passive position. I do not see why some department did not notify us and ask for approval before they did it. They just did what they liked. Where is their party spirit and sense of organizational discipline?" Yang Shangkun's remarks do not indicate that he highly values human rights. It only means that he did not agree with kidnapping Dai Qing. Nevertheless, probably because of his grumbling, Dai Qing was released one day ahead of schedule. The detention was originally intended to last five days, ending on 20 November.

#### **Did Public Security Ask State Council for Instructions Beforehand?**

In fact, the Beijing Municipal CPC Committee and public security did not "do what they liked," as alleged by Yang Shangkun. They had asked the person in charge of the State Council for instructions.

"Not only should Li Peng have known this but, as he is a Political Bureau Standing Committee member and premier of the State Council, he should have personally approved this operation," a person in the know said to me. He also said: "Yang Shangkun was probably making an oblique accusation, which was directed not only at the Beijing Municipal CPC Committee but also at Li Peng, who occupies a higher position than himself in the party."

Li Peng's response is still unknown for the time being. But Li Ximing and Beijing Mayor Chen Xitong have been feeling quite uneasy. There is speculation that they will probably make written self-criticisms.

Baker's recent China visit failed to achieve any substantial results on the human rights issue but it is very probable that the CPC will release some democratic activists after Baker has left. This is no credit to Baker but an intrigue worked out by the CPC.

#### **He Xin's Suggestion To Send Dissidents Abroad Arouses Interest**

It is learned that the CPC discussed among themselves how to handle the jailed democratic activists a long time ago. He Xin, known as a hatchet man, contributed a stratagem: Letting all the democratic activists go, even to other countries, is better than continuing to keep them in custody or prison. He Xin submitted this suggestion to the top CPC authorities a long time ago. It aroused the interest of some people who thought it was a "good idea." Letting the democratic activists go abroad will not only prevent them from carrying on with their trouble-making on the mainland but also weaken their strength. Some people said that giving Fang Lizhi the green light



was nothing short of getting rid of a big burden and his influence abroad would also diminish.

#### **CPC's Smug Calculations for Eradicating "Root of Trouble"**

In fact, the CPC has started to give permission to the families of some democratic activists to leave China. Releasing the jailed dissidents will probably be the next step.

Someone pointed out that He Xin's stratagem is an intrigue that kills two birds with one stone. First, letting the democratic activists and their families go abroad will thoroughly eradicate these "roots of the trouble" so that they will be unable to function in China. This will in actual effect greatly reduce the strength of the prodemocracy movement and is a "soft-knife" trick. Second, through this, the CPC can show a posture to the international community, claiming that it has no human rights problem because the "troublemakers" are no longer there.

#### **Releasing Democratic Activists Does Not Mean Improving Human Rights Conditions**

It is learned that besides He Xin, those who stand for releasing the democratic activists and allowing them to go abroad also include a group of "democratic persons." The top CPC authorities have expressed willingness to consider and accept their opinion.

If the U.S. authorities and overseas persons (including democratic activists) are convinced that the CPC releasing the jailed democratic activists in batches and even allowing them to go abroad in turn is an indication of improved human rights status, they could not be more wrong!

#### **Internal Document on Political Prisoner Figures**

*HK2911103491 Hong Kong CHENG MING in Chinese No 170, 1 Dec 91 p 14*

[Article by Yu Hsin-Ting (0060 2450 1656): "How Much Do You Know About Political Prisoners in the Mainland?"]

[Text] Whenever foreign human rights organizations or government officials "intervene in China's domestic affairs" out of humanitarian reasons—that is, inquire about the question of political prisoners—communist China will, with a straight face, recite its standard answer: China has no political prisoners.

#### **Communist China Has Records on Crimes Concerning Expression of Thoughts and Ideas**

It is not only foreigners who find such shameless lies disgusting but even the CPC officials themselves are well aware of the need to make such deceitful claims or they will not be able to explain the reason why a great number of Chinese citizens are in prison for expressing their thoughts and ideas. Naturally, the CPC is only playing a

game of numbers on the question of political prisoners. They understand fully that the mainland's term for the West's so-called political prisoners is "counterrevolutionaries" while the crime pertaining to expression of thoughts and ideas on the mainland is known as "counterrevolutionary crime." There are also some real political prisoners who have been sentenced by the CPC on trumped-up charges of common crimes; hence, they appear on paper to be Chinese citizens guilty of common crimes.

The CPC not only knows all too well about its suppression of dissidents and of the freedom of expression, it also has facts and figures available for the high-level officials and officers in charge. This writer will now publish an internal document compiled by communist China's Procuratorate at the end of June. This document, acquired through special channels, will enable the Overseas Chinese and international personalities to understand how the CPC has seriously trampled upon the human rights of Chinese citizens since the founding of the PRC as well as show them the actual data concerning the political persecution suffered by Chinese people because of so-called "counterrevolutionary activities."

#### **Actual Data From Internal Document**

According to this internal document, from 1949 to December 1965, the CPC's judicial personnel arrested, tried, and sentenced some 956,000 counterrevolutionary criminals, executed 61,300 persons (mainly during the period of suppression), sentenced 802,000 others to prison terms of five to 10 years, and put 760,000 under controlled supervision and labor following completion of their prison terms.

From 1966 to 1972, a total of 876,500 persons were detained, tried, and sentenced because of "historical problems" and "political problems." Some 3,850 persons died of abnormal causes while under detention (this figure does not include the 3.5 million others who were detained by their enterprises, organs and schools because of political and family reasons), while 11,300 others were sentenced to death.

In October 1966, some 426,400 persons were placed under detention. From 1978 to end of 1981, 421,900 persons were released, rehabilitated, and corrected. And by 1984, there remained only 372 counterrevolutionary criminals.

Following the "4 June" incident of 1989, officials detained and investigated more than 28,600 persons in the entire country, arrested and tried 4,000 others, and sentenced 1,730 political prisoners to prison terms.

More than 70 persons are serving prison sentences in Beijing, 300 in Xian, 90 in Wuhan, 500 in Sichuan, and 150 in Hefei.

### The CPC Is an Extraordinary Political Liar

The materials show: Some 2,385 "counterrevolutionary criminals" have been detained and sentenced throughout the country. However, the document did not reveal anything about "counterrevolutionary" sympathizers or hostile forces and bourgeois liberal elements who have been placed under surveillance, house arrest, or have simply lost their freedom.

All these figures show that the CPC's White Paper on Human Rights is but a string of lies which prove that the CPC is an extraordinary political liar!

### Sources: Deng 'Deteriorating,' Mind 'Clear'

HK2811013691 Hong Kong SOUTH CHINA MORNING POST in English 28 Nov 91 p 11

[By Willy Wo-lap Lam]

[Text] Patriarch Mr Deng Xiaoping has made known his strategy for succession through the elevation of the Chief Political Commissar, General Yang Baibing, to the Politburo—a move likely to be ratified by the Central Committee's eighth plenum.

Chinese sources said because of his deteriorating health, the patriarch failed to put in an appearance before the opening of the eighth plenum even though he had appeared on television just before the seventh plenum last December.

However, they said his mind was clear and he had personally approved the promotions likely to be endorsed at the plenum.

The expected elevation of General Yang, 71, who is the younger brother of President Mr Yang Shangkun, climaxes decades of intimate co-operation between the Yang and Deng families.

Chinese sources said General Yang, who is also secretary-general of the policy-making Central Military Commission (CMC) will replace his elder brother, who is the CMC first vice-chairman, as the day-to-day administrator of the People's Liberation Army (PLA).

Mr Yang, 84, is expected to retire from the Politburo during the 14th party congress next year and subsequently to hand over his powers to his brother.

The sources said Mr Deng's strategy was that, with the Army under the control of "trustworthy" comrade-in-arms, his other proteges, including General-Secretary Mr Jiang Zemin and Vice-Premier Mr Zhu Rongji would have crucial military backing in pushing forward the next stage of economic reform.

The patriarch has received solid commitment from the Yang brothers that they will support Mr Jiang and the moderate faction when the old man departs from the scene.

Moreover, it is understood that while Mr Jiang nominally leads the PLA in his capacity as CMC chairman, the Yangs will, because of their decades of military experience, in fact be running the Army.

The intimacy of the Deng and Yang families is attested to by the fact that members of the Yang household can call on the Deng residence anytime. Even senior ministers have to book an appointment with Mr Deng's office well in advance.

"The step-mother of Deng, Xia Baikao, who is in her early 90s, still likes to make pickled vegetables, Sichuan-style," a source said. "Aside from the Deng family, only the households of Yang and National People's Congress Chairman Wan Li can enjoy the delicacy."

The children of Mr Deng and the president are close friends. Ms Deng Rong and Ms Yang Li worked together in Chinese missions in the United States in the mid-1980s. Last year, both daughters traveled together to the U.S. and Japan, where they conveyed their fathers' messages to selected Overseas Chinese leaders.

Military analysts say that starting next month, General Yang, the mastermind of the major round of reshuffles in mid-1990's, might preside over a minor-scale leadership change to ensure loyalty to the Deng and Yang families. They cite the recent appointment of the deputy chief of the General Logistics Department, General Li Jiulong to replace General Zhang Taiheng as commander of the Chengdu military region.

### Plenum Ends, Stresses Agriculture, Rural Work

#### Communique Issued

CM2911144191 Beijing XINHUA Domestic Service in Chinese 1107 GMT 29 Nov 91

[Text] Beijing, 29 Nov (XINHUA)—Communique of the Eighth Plenary Session of the 13th CPC Central Committee

(29 November 1991)

The 13th Central Committee of the Communist Party of China held its 8th Plenary Session in Beijing from November 25 to 29, 1991.

One hundred and seventy-one members and 105 alternate members of the Central Committee attended the session. Members of the Central Advisory Commission and Central Commission for Discipline Inspection as well as heads from various departments concerned were present as observers. General Secretary Jiang Zemin made an important speech during the session, which was presided over by the Political Bureau of the CPC Central Committee.

The plenary session examined and approved a 'Decision of the CPC Central Committee on Further Strengthening Agriculture and the Work in Rural Areas'.

The document contains ten parts: 1) the achievements of agriculture and the work in the rural areas in the 1980s and the main tasks for the 1990s, 2) stabilizing and improving the party's basic policies for the rural areas and continuing to deepen the rural reforms, 3) continuing to readjust the rural production structure to promote all-round growth of the rural economy, 4) stepping up the implementation of the development strategy of advancing agriculture through the application of science and technology and promotion of education, 5) speeding up the comprehensive control of large rivers and lakes and carrying on extensive construction of farmland irrigation facilities, 6) increasing agricultural investment by a big margin and speeding up the development of the industries serving agriculture, 7) doing a good job of helping the poor areas and coordinating regional development for common prosperity, 8) making earnest efforts to strengthen the building of grass-roots organizations in the rural areas, 9) continuing to carry on the education in socialist ideology to promote healthy social ethics, democracy and legal system in the rural areas, 10) enhancing the party's leadership over the rural work.

The plenary session fully affirmed the party's basic policies formulated since the Third Plenary Session of the 11th Central Committee, gave a high appraisal of the tremendous achievements in China's rural reform and construction during the 1980s. This great reform is an ingenious invention of the Chinese Communists with Comrade Deng Xiaoping as their representative by integrating the basic Marxist principles with China's realities. It has profoundly enriched our party's theories and practice in building socialism with Chinese characteristics. Under the leadership of the party, cadres and broad masses of the people, by emancipating the mind, seeking truth from facts, exploring new ways boldly and working hard, have deepened the rural reform step by step, brought an all-round vitalization of the rural economy and remarkably changed the face of the countryside.

The success in the rural reform has basically solved the problem of finding enough food and clothes for a population of 1.1 billion and provided material conditions and valuable experience for urban reform and for social stability, thus making historical contributions for China to resolve the primary contradiction at the present stage, that is: the contradiction between the daily increasing material and cultural demands of the people and the backward social production.

The plenary session pointed out that agriculture is the foundation of economic development, social stability and self-reliance of the country. There would be no stability or all-round progress in the entire society without the stability and all-round progress in the rural areas.

We cannot enable all our people to live a fairly comfortable life without better living standard of the rural population. Furthermore, modernization of the overall national economy cannot be achieved if we fail to attain

agricultural modernization. We should be sober-minded that the material and technological base of agriculture is still relatively weak despite the significant development. The economic and social development in the rural areas has been very uneven. And many problems in rural work call for an urgent solution. All party comrades should fully recognize the important role of agriculture in the achievement of China's second strategic target in China's economic and social development. They should display a greater determination and take vigorous measures to strengthen agriculture, which is the foundation of the national economy, so as to meet the targets and tasks for agricultural development set in the 10-Year Program and the "Eighth Five-Year" Plan and gradually to enable the masses of the peasants to improve their living standards from just having enough food and clothing to leading a fairly comfortable life.

The plenary session emphasized the need to deepen rural reforms unswervingly and promote an all-round development of the rural economy.

A series of basic policies adopted by the party for the rural areas, like the responsibility system mainly featuring household-based contracts that link remuneration to output, conform to the present-stage level of the rural productive forces and are welcomed by the masses very much. These must be maintained for a long period of time while continuously enriched and perfected. It is necessary to deepen the reforms in accordance with the needs of the development of productivity. Further efforts should be made to stabilize the responsibility system mainly featuring household-based contracts. The dual management system combining unified and independent operations should be continuously improved, the socialized service system for agriculture vigorously developed, and strength of the collective economy gradually expanded, in an effort to guide the peasants onto the road of common prosperity.

A diversified economy should be encouraged on the basis of ensuring a steady growth of the grain production. It is necessary to carry out pricing reform of the farm produce in an active and proper way so as to gradually straighten out the price ratios between the industrial and agricultural products and among the agricultural products themselves. A more lively circulation of products is necessary for their quicker flow.

Development of village and township enterprises is indispensable for a prosperous rural economy, higher peasants' income and advancement of farm modernization. Therefore, we should give them active support and guidance to ensure their sound progress. In deepening rural reform and strengthening the work in various fields in the rural areas, it is essential to follow the mass line and, in the spirit of seeking truth from facts, give different guidance to suit different conditions. On no account must we go against the will of the masses of people by making decisions in disregard for areas with different conditions or copying indiscriminately practices from other areas.



The session held that it is necessary to expand infrastructural constructions for agriculture. This is an important material and technological prerequisite for modernizing agriculture and keeping up the strength for further growth. The agricultural investment by the central and local governments and the collectives as well as the peasants should be increased step by step. We should speed up the comprehensive control of major rivers and lakes, and expand the construction of irrigation and water conservation projects. Investment policies in favor of agriculture and other protective measures should be introduced and the industries serving agriculture should be upgraded and their production capacity expanded. Implementation of the strategy of advancing agriculture through the application of science and technology and promotion of education should be stepped up, thus gradually shifting the basis for agricultural growth onto that of relying on scientific and technological progress and on the improvement of producers' qualities. At the same time, it is necessary to build more infrastructural projects such as rural transportation, electricity supply and drinking water for people and animals.

The session noted the need to make real efforts to promote the building of socialist spiritual civilization, democracy and legal system in the rural areas to bring up a generation of new peasants who have lofty ideals and moral integrity and who are well educated and self disciplined. A successful socialist ideological education in rural areas is vital for carrying out our party's basic line and its basic policies for rural areas, strengthening the rural grass-roots organizations with the party branches as their core, enhancing the socialist awareness of the cadres and the masses, promoting the building up of material civilization and spiritual civilization and consolidating the socialist positions in the rural areas. Party committees at all levels should, proceeding from their local conditions, plan and guide this work carefully and work in a down-to-earth manner to make it a success, with an aim to bring a new change to the face of the countryside.

The session emphasized the necessity to enhance and improve the party's leadership over rural work. The Central Committee and committees of provinces, autonomous regions and municipalities directly under the central government should devote much of their energy to the work in rural areas, studying and solving in a timely manner outstanding problems arising from rural reform and construction. The prefectural and county party committees should make it the focus of their work and devote their main energy to it, coordinating efforts from various quarters to greatly support agricultural production. Effective measures should be taken to lighten peasants' burdens. Leading cadres at all levels must emancipate their minds, display enthusiasm, improve their working methods and style and be good at integrating the guidelines of the central committee with the local realities so as to carry out their work creatively.

The session examined and adopted a 'Resolution on the Convening of the 14th National Congress of the Chinese

Communist Party' and decided that the congress will be held in Beijing in the fourth quarter of next year.

It held that the party's 14th National Congress will be one of major importance in the course of China's socialist modernization. It will certainly have a great and far-reaching bearing upon forming a link between the past and future and upon advancing the great cause of building socialism with Chinese characteristics. What is most important in greeting the convocation of the 14th congress is to carry out in a comprehensive manner the party's basic line of taking economic construction as the focus, adhering to the four cardinal principles and persisting in reform and opening to the outside world, work hard to consolidate and develop the political situation of stability and unity, continue to deepen the reform and expand the opening to the outside world, and concentrate efforts on performing the economic work and work in other fields even better. It is essential to run the party strictly and make earnest efforts to promote the building up of the party's ideology, organization and working style, improve the understanding of Marxist-Leninist theories and Mao Zedong Thought on the part of the party members and cadres, the leading cadres in particular, and improve their political quality, thus enhancing the party's cohesion and combat capability.

The plenary session called on the party organizations at all levels and all the party members to closely rally around the party Central Committee with Comrade Jiang Zemin as its nucleus, lead the people of all nationalities in China in working hard for the country's prosperity and to greet the party's 14th National Congress with outstanding achievements in reform and construction.

#### **'Top-Level Personnel Change' Viewed**

HK2811074891 Hong Kong MING PAO in Chinese  
28 Nov 91 p 60

[By staff reporter: "Eighth Plenary Session Might Possibly Be Prolonged for One Day Because of Top-Level Personnel Adjustment"]

[Text] Beijing—The relevant source here disclosed that the Eighth Plenary Session of the 13th CPC Central Committee, which was originally scheduled to close today, might be prolonged for one day because a top-level personnel change is reportedly being discussed at the session.

This source added that the top CPC leadership indicated earlier that a personnel change should proceed on the basis of stability; no drastic personnel change should be introduced to ensure that the economic reform policy formulated by the central authorities can be carried out smoothly. Therefore, during the ongoing Eighth Plenary Session, apart from adding members at the Political Bureau level, adjustments at the central level will be proposed only for discussion without a specific decision being made.

As revealed, this situation of preserving personnel stability may continue until the period prior to the opening of the 14th CPC National Congress next year. Even during the National People's Congress next year, leadership changes in some big cities may also be postponed to maintain relative stability.

Observers in Beijing see it this way: At present the top CPC leadership wishes to concentrate on improving large and medium-sized state enterprises and deepening rural reform. These two or three years are a crucial period. China's political reform is unlikely to make much headway before marked improvement is made in these two major economic reforms.

### **Dust From Plenary Session 'Has Settled'**

*HK2911071591 Hong Kong MING PAO in Chinese  
29 Nov 91 p 2*

["Special dispatch": "Public Appearances BY Jiang, Li, and Yang on Separate Occasions Shows That Dust of Eighth Plenary Session Has Settled"]

[Excerpts] Yesterday CPC General Secretary Jiang Zemin, State President Yang Shangkun, and Premier Li Peng separately met with foreign guests. This was the first "public appearances" by the Chinese leaders since convening the Eighth Plenary Session of the CPC on Monday this week. Observers in Beijing noted that the dust of the Eighth Plenary Session which is in progress has settled.

Li Peng even revealed for the first time that the CPC was holding an important meeting. This was the first revelation made by a senior CPC and Chinese leader about the Eighth Plenary Session since it opened 25 November. It was also revealed that the Eighth Plenary Session of the CPC would end today and a press communique would be released.

Yesterday Li Peng confirmed that the CPC was holding a meeting. He said: "We are holding an important meeting in Beijing with the topics for discussion focused on agricultural issues. We intend to promote further development of agriculture." However, he did not reveal any other contents of the session. [passage omitted]

### **Article on Plenum Convening, Deng-Chen Struggle**

*HK2911110591 Hong Kong CHENG MING in Chinese  
No 170, 1 Dec 91 pp 6-8*

[Notes on a Northern Journey" column by staff reporter Lo Ping (5012 0393) and Li Tzu-ching (7812 5261 0079): "Contest Between Deng and Chen Factions and Eighth Plenary Session"]

[Text] Deng Xiaoping has given earnest exhortations to Jiang Zemin and others, repeatedly stressing "reform and opening up." In his opinion, this is more important than party spirit. Deng worries that if those who have a negative and skeptical attitude toward reform and

opening up are allowed to enter the new leadership group, it is the same as selecting people who will sound the death knell of him and his line.

### **"10-Man Meeting" Decides Plenum's Agenda and Foreign Policy**

Struggle before the meeting—compromise on both sides—passing resolutions at the meeting. This is the trilogy of decisionmaking regarding important problems at the senior level of the CPC. Did the Eighth CPC Plenary Session, which was convened on 25 November, follow this rule?

It seems that compromise was not easy and because of this the meeting was repeatedly postponed. Finally, Deng Xiaoping told Yang Shangkun: "The meeting should not be delayed any longer; there are just a few problems." His words fixed the tune and the meeting was not postponed until December.

On 9 November, a meeting was convened at Zhongnanhai in Beijing; those who attended were the most senior persons in the party. This was the first part of the trilogy. The meeting was very unusual.

First, the meeting was unusual because it did not have a name; it was neither a Central Committee Political Bureau meeting, nor a Political Bureau Standing Committee meeting. Because it had 10 participants, someone called it the "10-man meeting."

Second, this "10-man meeting" was unusual because it discussed the agenda of the Eighth Plenary Session and the CPC's foreign policy.

Third, this "10-man meeting" was unusual because the participants were selected by two men among the ten. They were Deng Xiaoping and Chen Yun, prominent figures in the CPC.

### **Deng Xiaoping Does Not Appreciate Yao Yilin**

The eight men other than Deng Xiaoping and Chen Yun were Yang Shangkun, Jiang Zemin, Li Peng, Peng Zhen, Wan Li, Bo Yibo, Qiao Shi, and Song Ping. Li Xiannian and Song Renqiong were also selected originally, but they were sick in hospital and could not attend. Yao Yilin and Li Ruihuan were also on the list, but Yao Yilin was crossed out by Deng Xiaoping, while Li Ruihuan was crossed out by Chen Yun. Therefore, only ten men participated in the meeting.

Everyone at the senior level of the CPC knows that Deng Xiaoping does not appreciate Yao Yilin. After "National Day" this year, Deng Xiaoping twice mentioned disputes in the party and the State Council when talking to Jiang Zemin and Li Peng. Deng Xiaoping said to Li Peng: "You are the premier of the State Council and have the right to make decisions; do what is passed by the Central Committee and do not spend time arguing, for time will not return once it is gone. Discuss matters more with Jiang Zemin. He (referring to Yao Yilin) might represent the opinion of a small minority of

people in the party, but he only has one vote in the State Council and the Political Bureau. The minority obeys the majority. He may keep his opinions, but he must abide by the resolutions and enforce them."

#### **Chen Yun: Opening Up Has Exceeded Its Limit**

Shortly after the "10-man meeting" began, the topic changed to the problem of "peaceful evolution," and there was a fierce argument.

Chen Yun pointed out that the peaceful evolution waged by the West has already manifested itself in some parts of China; that the party has lost its prestige and the people's support; that only the state machine is relied on for operation; and that foreign ideas, ideologies, and cultures have occupied the market.

He then put forward some facts and figures to support his view. What he referred to was the situation in Zhejiang's Wenzhou, Guangdong's Shantou, Shenzhen and coastal areas, Fujian's Xiamen, and Hainan Province.

Chen Yun also said: "Western ideologies are rapidly spreading to the interior. If the direction is not correct and the helm is not steered well, the ship will go further away and it will cause time to turn back. A huge price will have to be paid and it will be difficult to steer the helm well."

Chen Yun meant that in the above-mentioned places, opening up has already exceeded its limit and the "ship" has already headed to the pier of capitalism.

Chen Yun also predicted: "Along with the penetration of Western ideologies, political turmoil, such as the one we saw in the summer of 1989 will still take place when the time is ripe. Therefore, various precautionary steps must be done well."

Chen Yun's viewpoint was that a direction problem has already occurred in reform and opening up. This viewpoint was challenged.

#### **Yang Shangkun's "Pragmatism" Originates From Deng Xiaoping**

Yang Shangkun obviously could not agree with Chen Yun's viewpoint and he gave a counter-argument: "If we say that capitalist ideology has found markets in some special economic zones, then this can only illustrate that our party's "closed-door" policy of the past was erroneous to the extent that people lost confidence in socialism and had doubts about it, and therefore, we advocate pragmatism. Only if we can improve the people's standard of living in a relatively short period of time and enhance the country's strength can we enable the people to realize the vitality of socialist society."

As he spoke, he produced a survey report and statistics to refute Chen Yun's "turning right theory."

Yang Shangkun's "pragmatism" is in fact Deng Xiaoping's way of handling things. Deng Xiaoping knows

clearly that if the economy is not developed and the people's living standard is not improved, talking about "direction" is useless and cannot solve practical problems, nor can it ease and divert the people's discontent. This is Deng Xiaoping's way of thinking, which is characterized by his "black cat and white cat theory." Deng Xiaoping also pointed out at the meeting: "Whether the direction is right or wrong must first be judged by looking at whether the leadership, which fixes the direction, is an advanced political party representing the people's will or a political party which adheres to old rules and violates the people's will. The ruling parties in the Soviet Union and Eastern Europe were also called communist parties in the past: Why did they crumble? Why did some of them even change their names? However, they are still not doing well. Their problem is that they have not developed their economies, and the more they try to develop, the more chaos they produce."

#### **Peng Zhen and Bo Yibo Offer Compromise Theory**

What Deng meant is that the party leadership, particularly who the leaders are, is a crucial problem. This viewpoint is different from Chen Yun's "theory of direction determining everything."

At the meeting, Peng Zhen and Bo Yibo also made speeches. Their viewpoints were of a compromise nature. Peng Zhen said: "If the economy cannot be developed well, everything becomes stagnant, the party will not have prestige, and the state power will not be stable. At present, the leadership group is committed to Marxism-Leninism and people of our age can relax."

When the meeting discussed the issue of maintaining the Central Advisory Commission, there was another round of fierce argument. Someone insisted that under the current conditions of a rapidly changing international situation, old comrades must still play a role; therefore, it is not the time to abolish the Central Advisory Commission.

But Deng Xiaoping said: "Next year is the time to abolish it. If the period of time is longer, two centers will be formed. In some areas, the Central Advisory Commission cannot play a role, while opinions cannot be solicited from lower levels. If it cannot play a role, it should also not play a retrogressive role by embracing an empty name and not doing practical things." Deng Xiaoping added: "When your historical duty is fulfilled, withdraw."

#### **Wang Zhen, Song Renqiong, and Yao Yilin Respectively Propose Candidates**

The dispute concerning personnel changes, which is to be decided at the Eighth Plenary Session, has been under way for a long time. The CPC has a traditional concept, which is: Power is everything. Whoever enters the core of power, or appoints his children, friends, relatives, subordinates, and followers to the core of power, can consolidate and expand his power.



Many of those who have official posts or have retired have already written notes to Deng Xiaoping, Yang Shangkun, and Jiang Zemin offering their "ideas" and suggesting lists of "candidates."

Wang Zhen alone nominated nine candidates for membership in the Political Bureau and to the post of secretary of the Secretariat; among them are Wang Renzhi, He Jingzhi, Yuan Mu, and Deng Liqun.

Song Renqiong proposed Lu Feng, Chen Zuolin, Deng Liqun, and Chen Xitong.

Yao Yilin offered Wang Bingqian, Song Jian.

#### **Deng Xiaoping Is Not Pleased With the Private Activities of the Leftists**

At the same time, various cliques and representatives inside the party have been busy actively establishing connections. According to sources, Yao Yilin and Hu Qiaomu have inspected work in Shandong; Bo Yibo and Yu Qiuli have inspected work in Shaanxi; and Chen Yun has "toured" Dalian, accompanied by Li Ximing and Deng Liqun.

These activities have even shocked Deng Xiaoping, who feels uneasy about them.

At a Political Bureau meeting, Song Ping, member of the Political Bureau Standing Committee, transmitted Deng Xiaoping's speech on nominating and selecting members for the leadership group. It was a speech by Deng Xiaoping in October to Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, and Song Ping.

Deng Xiaoping said: "It is normal for the leadership group to be adjusted and replenished. You should refrain from sending in notes. This is an abnormal phenomenon. Successors should be selected according to their merits, and names should be nominated according to procedure. The Political Bureau should hold a discussion meeting, then work according to the resolutions."

#### **Deng Xiaoping on the Qualifications of "Candidates" for Membership in the Political Bureau**

Deng Xiaoping added: "You are members of the Political Bureau Standing Committee and you are (referring to Jiang Zemin) the general secretary. You have the right to make decisions. Do not worry about offending others. To do something well, you will have to offend some people. Who should be promoted? Who has inadequate qualifications? And who should wait for a while? Someone's got to say some cynical [guai hua 1843 6114] words and there will be all kinds of discussions."

On the qualifications of "candidates" for membership of the Political Bureau, Deng Xiaoping stressed: "The following conditions must be upheld when selecting them. They should have strong party spirit, resolutely implemented the basic spirit of the Third Plenary Session of the 11th CPC Central Committee, and made

outstanding contributions since the Fourth Plenary Session of the 13th CPC Central Committee. Conversely, those who are negative and skeptical about the line and policies formulated since the Third Plenary Session of the 11th CPC Central Committee and about reform and opening up should not be promoted, in spite of how "strong" their party spirit may be. This is the main principle of the organizing line and no compromise can be made. For those who have official posts but cannot think it through, since they could not think it through in the past 10 years and are unwilling to correct, they should step down. Experience and merits are old capital. Have they not eaten up all their capital? How can work be launched in the future if these people are allowed into the leadership group?"

#### **Reform and Opening Up Are More Important Than Party Spirit**

Deng Xiaoping pointed out: "The general secretary and the Political Bureau must be courageous and take responsibility. If the leadership group is not properly established and successors not properly selected, the central task of construction cannot develop in the right direction."

Deng Xiaoping gave earnest exhortations to Jiang Zemin and others, repeatedly stressing "reform and opening up." In his opinion, this point is more important than party spirit. Accordingly, "reform and opening up" can be regarded as a manifestation of party spirit because "reform and opening up" is a fixed principle formulated by Deng, as well as a fixed principle adopted by the Third Plenary Session of the 11th CPC Central Committee. Deng worries that if those who are negative and skeptical about reform and opening up are allowed to enter the new leadership group, then, it is the same as choosing people who will sound the death knell of him and his line. This is very dangerous.

Of course, this is only Deng's wish. What he has to face is a strong conservative force, a group of people who are currently emotionally charged—"stimulated" by the rapid changes in the Soviet Union. The special meeting of the Central Advisory Commission, which was convened from 12 to 13 November in Zhongnanhai, proved this point.

#### **Central Advisory Commission Makes Four Suggestions to Political Bureau**

The two-day special meeting of the Central Advisory Commission made four suggestions to the Political Bureau:

First, the Eighth Plenary Session must discuss and analyze the problem of direction in reform and opening up.

Second, thoroughly analyze experience in the special zones, such as Hainan, Shenzhen, Zhuhai, Xiamen, and Shantou; correct the guiding direction; and strengthen party leadership.



Third, additions to the leadership group must be made according to merit and character; it is necessary to carry out thorough examinations and to extensively solicit opinions.

Fourth, formulate measures to deal with the U.S. move to use Western ideologies and values to change our country's socialist system.

Chen Yun also made a speech at the meeting, stressing that the crucial point in realizing the four modernizations lies in examining and defining the road to follow, a problem of a directional nature.

#### **Some Old Men Think Zhu Rongji Should Not Enter the Political Bureau**

At the meeting, many old men thought Zhu Rongji and Yang Baibing should not enter the central leadership group—the Political Bureau.

A ranking cadre who disclosed this information to me held that the major spirit of the special meeting of the Central Advisory Commission was "correction of direction." The old men think that this is the crucial link in preventing and resisting peaceful evolution. The so-called "correction" means that in the past 10 years, the direction of reform and opening has deviated from course and is incorrect. This is greatly different from Deng Xiaoping's viewpoint of "party leadership first, direction second," and there is a marked trend to negating reform and opening up in the past and even negating Deng Xiaoping. Chen Yun's viewpoint won majority support at the meeting.

The cadre also analyzed the personnel problem. Many old men do not want the liberal Zhu Rongji to enter the Political Bureau. However, they also refused to allow the promotion of the arrogant Yang Baibing, this being to retain some face for Deng Xiaoping. As for Zou Jiahua entering the Political Bureau, the old men did not have an opinion, perhaps because they view Zou as a person who is in the "middle and inclining to the left."

It is believed that the basic conceptual differences between Deng and Chen cannot be solved immediately. Therefore, even though the Eighth Plenary Session will make decisions concerning agricultural problems, the CPC can never boast that the meeting was a "unified grand meeting."

#### **Li Ruihuan, Ding Guangen, Yang Baibing at Opera**

OW2911143191 Beijing XINHUA Domestic Service  
in Chinese 1146 GMT 29 Nov 91

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 29 November (XINHUA)—The Chinese opera "Daughters of the Party" went on stage in Beijing the other day. Li Ruihuan, Ding Guangen, Liu Huaqing, Yang Baibing, Zhao Nanqi, and other leading comrades of the Central Committee and Central Military Commission [CMC] viewed the performance. Some leading

comrades from the major military units and localities who are in Beijing to attend the Eighth Plenary Session of the 13th CPC Central Committee also watched the opera.

After viewing the performance, Comrade Li Ruihuan highly praised the opera "Daughters of the Party." He said that it is a good play with a moving revolutionary story. It is a song that extols the Chinese communists. It is an opera with strong national characteristics. The words of the songs are beautifully written. The music is beautiful. The performance is quite good. It is a fine opera.

Comrade Ding Guangen said that "Daughters of the Party" is a very educational and touching. It could be included in the repertoire.

Liu Huaqing, vice chairman of the CMC, commented: It is of great immediate significance to stage "Daughters of the Party" under the present circumstances. The victory of Chinese revolution was won with the blood of tens of millions of revolutionary martyrs. It is the duty of our literary and art circles to give publicity to our party and to the revolutionary struggle waged by the people under party leadership, to educate the people with revolutionary traditions so that they will overcome difficulties, steadfastly follow the socialist road with Chinese characteristics, and firmly struggle for communist ideals.

The six-act national opera staged by the opera troupe under the General Political Department is adapted from a movie of the same title. The story is set in Dujuanpo, a Soviet area in Jiangxi circa 1935. The young woman communist Tian Yumei does not feel disheartened nor does she become pessimistic in the face of the white terror when the revolution was at a low ebb. She holds up her head, wages a determined struggle against the enemy, and dies a martyr's death. The opera successfully portrays Tian Yumei and a number of other communists as soul-stirring heroes who face death unflinchingly and struggle unrelentingly for the communist ideals.

Acting Minister of Culture He Jingzhi said excitedly after watching the performance that this opera is a very important work in the history of national revolutionary opera. Both the screenplay and music are creative. He thanked the opera troupe of the General Political Department for presenting such a good play for society.

#### **Qiao Shi Attends Opera on Model Communist**

OW2811224091 Beijing XINHUA Domestic Service  
in Chinese 0624 GMT 28 Nov 91

[By reporter Tian Lan (3944 1526)]

[Text] Beijing, 28 November (XINHUA)—The Zibo Beijing Opera Troupe staged a performance of the play "Jiao Yulu" at Zhongnanhai yesterday evening. Qiao Shi, Standing Committee member of the CPC Central Committee Political Bureau, watched the play and praised the vivid and moving performance.

Gu Mu, vice chairman of the Chinese People's Political Consultative Conference National Committee; Jiang Chunyun, secretary of the Shandong Provincial CPC Committee; and Zhao Zhihao, governor of Shandong, also watched the play in Zhongnanhai. Before the performance, Song Renqiong, vice chairman of the Central Advisory Commission, went backstage to call on the performers.

When the Zibo Beijing Opera Troupe first took part in the national modern performance in Beijing 27 years ago, its six-act modern play "Sister Hong" caused a sensation throughout the country. Today the troupe, which hails from the native place of Jiao Yulu, has produced and staged another modern play, "Jiao Yulu." Depicting model communist Jiao Yulu from various aspects, the play has won the hearts of its audience. Since May of last year, some 140 performances have been staged throughout Shandong.

#### **Justice Minister on Promoting Rule by Law**

HK2411061491 Beijing RENMIN RIBAO in Chinese  
10 Nov 91 p 3

["Special article" by Justice Minister Cai Cheng (5591 6134): "Enhance Awareness of Legal System, Promote Management of State Affairs According to Law"]

[Text] The second five-year program for popularizing legal knowledge among the citizens has been put into practice. This will certainly play a major role in consolidating our country's socialist legal system and promoting the management of state affairs according to law.

Managing state affairs according to law represents a major change in the form of state management after the proletariat seized state power and the socialist state was established. It is an inevitable step for safeguarding social stability, preventing peaceful evolution, consolidating the people's state power, and guaranteeing long-lasting peace and order in our country. In a certain sense, one of the major characteristics of a modern nation is the existence of a perfect legal system. By managing state affairs according to law, we mean that under CPC leadership, the people's common wishes and the party's policies should be distilled into the state's will through the supreme power organ of the state in the form of the state constitution and various laws; then, according to the provisions of the constitution and laws, and relying on the conscious action of the broad masses of the people, the management of state and social affairs is regularized and standardized and is gradually brought into the framework of the legal system so that a legal order can be set up in society and the legal system's environment can be formed to guarantee the fulfillment of economic construction tasks, long-lasting peace and order in our nation, and the rights of the people as masters of the state. Here, it is necessary to point out that managing state affairs according to law is an important means of government, but it is not the only means. In order to properly govern a country, we must also use

political, educational, cultural, diplomatic, economic, and military means. Managing state affairs according to law does not go against or exclude other means of government; instead, they are related and complementary to each other. In modern society, any means of state government will certainly be related to the issue of law. Only by properly putting together the political, economic, cultural, educational, military, and legal means to form an integrated, unified, and harmonious government system can we ensure social stability and promote the development of all undertakings. Therefore, we should be opposed to the attitude of neglecting and defying laws and the deviation of legal nihilism [fa lu xu wu zhu yi 3127 1774 5711 2477 0031 5030] and anarchism, and should also be opposed to the viewpoint of regarding law as paramount and as something transcending classes. In fact, as a tool for class rule, law cannot be separated from politics, and law must serve the ruling class' political needs. In our country, the law is socialist law that represents the wishes of the working class and other working people, so it undoubtedly serves proletarian politics, serves the interests of the broad masses of the people, serves socialist economic construction and reform, and serves the purpose of consolidating the people's democratic dictatorship.

Managing state affairs according to law should be combined with the state's strategic tasks, strategic objectives, and various concrete work tasks. At present, we are concentrating on socialist economic construction, striving to attain the objectives set forth by the Eighth Five-Year Plan and the 10-Year Program, and are going all out to develop the socialist planned commodity economy. Therefore, managing state affairs according to law must be closely linked to economic construction, reform, and opening up through strengthening economic legislation. The socialist commodity economy, economic activities in all fields, enterprise management, and economic behavior should all be brought into line with the stipulations of various economic laws and regulations. Illegal economic activities must be checked according to law. Thus, a benign social and legal environment favorable to reform, opening up, and economic development will be created through such efforts, and will guarantee the smooth advancement of socialist modernization.

When conducting economic construction, we must also develop our spiritual civilization. Therefore, managing state affairs according to law should also be closely linked with the work of building socialist spiritual civilization. We should adopt the legal means to resolutely fight against all decadent and backward capitalist and feudalist ideologies and various corrupt phenomena inside and outside the party, thus guaranteeing the smooth development of our socialist cultural, educational, health, and propaganda undertakings. At present, while the international situation is rapidly changing, the hostile forces in the Western capitalist countries are stepping up their insidious activities for effecting peaceful evolution in socialist countries. We must apply the legal means to wage a resolute struggle against the

internal and external hostile forces, safeguard the state and social stability, and consolidate and develop the achievements in our socialist construction.

To effect the management of state affairs according to law, at present, the most important thing we should do is increase the people's awareness of the legal system, especially the leading cadres' awareness, on the basis of popularizing legal knowledge. Efforts should be made to improve our work in the aspects of legislation, judiciary, law enforcement, and legal supervision in order to accelerate the process of managing state affairs according to law. If state affairs are to be managed according to law, every unit, trade, and locality should first be administered according to law. Then, the scope of administration according to law can be gradually widened and deepened, and then a comprehensive and integrated system can be eventually developed and a socialist rule-by-law state [fa zhi guo jia 3127 0455 0948 1367] can eventually be set up. It is self-evident that only when the legal system is perfect for handling a country's political, economic, and social life can the objective of managing state affairs according to law be achieved. At present, the activities of conducting administration according to law have been carried out in a satisfactory condition in all parts of the country, and there is a gratifying situation. The prospects of perfecting the socialist legal system and effecting the management of state affairs according to law are bright and inspiring. We should warmly support the practice of conducting administration according to law, as this is a new thing with strong vitality, and should firmly seize the opportunity of implementing the second five-year program for popularizing legal knowledge among the population to widen and deepen the scope of administration according to law through further carrying out the comprehensive measures for maintaining law and order and raising the work in this field to a higher level.

#### CPC Internal Document on People-Trafficking

HK2711021091 Hong Kong CHUUSHI NIENTAI  
in Chinese No 262, 1 Nov 91 pp 29-31

[“CPC Internal Document: Frantic Activities of Abducting and Selling People on Mainland”; submitted by Ministry of Public Security—first paragraph is editor's note]

[Text] (Abducting and selling women and children, and prostitution and patronizing prostitutes are the two major social problems that the CPC has severely handled recently. The 21st Session of the Seventh National People's Congress [NPC] Standing Committee, which concluded last September, adopted a decision on severely cracking down on cases of abducting and selling women and children in addition to a decision on severely cracking down on prostitution and visiting prostitutes. Regarding the situation of abducting women and children for sale, the public security departments had earlier edited some reference material to be submitted to the 20th Session of the Seventh NPC Standing Committee.

This journal now carries the original text of this document, the passages in boldface being in accordance with the original.)

*Reference material for the 20th Session of the Seventh NPC Standing Committee (No. 21)*

#### On Criminal Activities of Abducting and Trafficking Women and Children

The trafficking of women and children was a popular practice in old China prior to 1949. After the PRC's founding, we focused efforts on cracking down on, eliminating, and sweeping away the social scum and ugly phenomena left over from the old society. Consequently, **criminal activities in this arena were basically eliminated from the mid-1950's to the 1960's.**

**The revival of criminal cases of abducting and trafficking of women and children started in the early 1970's.** It originated in a few provinces, including Sichuan, then gradually spread to a dozen or so provinces and regions. At present such activities have spread to many counties and cities across China, of which Sichuan, Guangzhou, Guangxi, Yunnan, Hunan, Hubei and Shaanxi are the major “places of origin,” whereas Shandong, Hebei, Henan, Anhui, Jiangsu, Fujian, and Guangdong are major “destinations.”

In the struggle to severely crack down on serious law-breakers in 1983, traffickers of women and children were listed as one of the key targets. During the three campaigns in the struggle, 35,587 traffickers in that category were rounded up; in their wake, the incidence of abducting and trafficking of women and children began to drop, with the traffickers' activities waning somewhat. However, because some localities loosened their grip on work in this arena, **criminal activities in abducting and trafficking of women and children revived in the latter half of 1985, and have become increasingly serious in recent years, with the incidence rising with each passing year.** In 1986, public security organs filed 1,258 cases involving abduction for trafficking, up by 1.6 times from 1985; the number of cases filed was 4,179 in 1987, up by 2.3 times from 1986; the number of cases filed in 1988 was 4,409, up by 5.5 percent from 1987; the number of cases filed in 1989 was 18,118, up by 3.1 times from 1988; and in 1990, the number of cases filed was 18,692, up by 3.2 percent from 1989.

#### Conspicuous situation of criminal activities in abducting and trafficking women and children today:

**1. Crimes of organized gangs are conspicuous.** In cases of abducting and trafficking of women and children in some key localities, organized offenses account for more than 70 percent of cases in this category. Those gangs consist of three or four men at the minimum, or of a dozen or so, or of scores of men, and sometimes even exceed a hundred. In every link of such activities, there is division of labor in the planning and actual performance of the crime, forming a “whole range” in the criminal activities of abduction and trafficking. Some of



them have formed professional criminal gangs, and are evolving into secret societies like the Mafia. An abduction and trafficking gang uncovered in Shandong and Sichuan showed that some 200 men were involved, with "first-hand traffickers" specialized in abducting girls from the labor service markets, hotels and discos in Chengdu and Chongqing, whom they delivered to the "second-hand traffickers," who fled hither and thither, and eventually the abducted girls were transferred to the "third-hand traffickers" at the "destinations," where the prey was sold. This gang had abducted and sold some 400 women one after another. "Dirty dealings" were also conspicuous. On 8 April 1990, when a trafficker was ready to sell a girl and a young boy, they were seized by four lawbreakers in the locality. The girl was gang-raped, then a deal was made for the girl and the boy at 3,500 yuan and 4,300 yuan respectively. In June 1980, a gang of lawbreakers from Sichuan's Danling colluded with some "second-hand traffickers" from Anhui, and abducted and sold two 17-year-old girls to Anhui's Shuxian. Two days later, they disguised themselves as public security cadres and policemen, seized the two girls in question while they were riding in a taxi, and sold them a second time.

**2. The range of lawbreakers' activities in abducting and trafficking women and children and the targets thus violated have been continuously extended.** Such activities have now extended from rural to urban areas, with railway stations, wharves, labor service markets, hotels and discos in some cities becoming frequent hunting grounds for women-traffickers. Early this year, Harbin City Public Security Bureau uncovered a case of abducting and trafficking women, and rounded up four lawbreakers, two women and two men, including Zang Chengshui. The four, under the pretext of doing business, had successively abducted 22 girls in the 17-to-20 age bracket in the railway station and labor service market in Harbin, whom they sold on an individual basis to Shandong at prices ranging from 2,000 to 3,500 yuan. The prey ranged from peasant women to urban women workers, girl students from college campuses or middle schools, women teachers, women postgraduates and even foreign women. During the Asian Games in September last year, two girl students from Tianjin left the city on a tour, and were abducted in Shijiazhuang. The abductor raped the two girls, then sold them in a village along the border between Hebei and Shandong. One of the two victims remains missing as of today. According to a report from Guangxi Autonomous Regional Office of Public Security, since 1989, the cumulative number of Vietnamese women abducted and sold to 17 provinces and regions across China and repatriated to Vietnam through Guangxi is 2,716.

**3. There is a tendency for traditional "places of origin" and "destinations" to change.** According to reports from Shandong, Sichuan and Anhui, the phenomenon of women trafficked out of some traditional "destinations" has surfaced; whereas the phenomenon of women trafficked into some traditional "places of origin" has also

surfaced. In the past, for example, Anshou used to be exclusively a destination, but since the beginning of last year, cases of women being abducted and trafficked out of the county have been frequent. There were some 100 cases of women and children being abducted and trafficked into or out of Shandong in 1990. Traditionally, Sichuan was a "place of origin," but recently it has been found that some women from Guizhou have been abducted and sold in Sichuan.

**4. Criminal activities of lawbreakers involved in abducting and selling people are all the more tricky and barbarous, with violence growing increasingly universal.** Lawbreakers more often than not will take advantage of some women's state of mind, in which they seek to change their economic status or go after petty advantages, taking those women in by hook or by crook, such as by proposing a partnership in "doing business," a "job recommendation" or offering them a free "tour," then compel them to submit by violence, or simply abduct women from other provinces through violence; in some cases, they even resort to breaking into houses masked and armed, to seize children and babies. In the course of being trafficked, some women are beaten up, raped or gang-raped by traffickers; some lose their personal freedom for a long period, and lead an inhumane life of being locked up and violated; others are tortured till they are handicapped or killed; still others are sold and resold several times, and are physically and mentally tormented. Based on incomplete statistics of Shandong Office of Public Security, of the women trafficked to Shandong, some 400 were wounded through being beaten up and tormented, and some 60 were tormented to death. The offenses in abducting and trafficking women have increasingly taken on the nature of a "slave trade."

**5. The spread of the criminal activities of abducting and trafficking of women and children has not only seriously violated the physical and mental health of the victims, but also caused great misfortune to the families involved, while inducing other criminal activities such as murder, injury and robbery, affecting social stability.** In Guizhou, there were 3,000 cases of crimes and disputes involving fighting, smashing, robbery, murder and injury triggered by abducting and trafficking people in 1989. The incidence of similar cases in the province went up to some 4,000 between January and October. Cases of abducting and trafficking people have gravely endangered social stability, and become the category of criminal cases arousing people's strongest abhorrence. In the letters and visits from the masses handled by Guangxi Autonomous Regional Office of Public Security, half of them fall into the category of appeals for a crackdown on women-traffickers to liberate the victims. The same was the case with the Ministry of Public Security in handling the masses' letters and visits in 1990.

The Central Committee and the State Council have all along attached great importance to criminal activities of abducting and selling people. Leading comrades have on several occasions given written instructions, and issued

several documents requiring firm crackdowns on and halting of criminal activities of abducting and trafficking women and children. In July 1987, the Central Commission of Political Science and Law called a telephone conference to make arrangements for cracking down on criminal activities of abducting and selling women and children. The Ministry of Public Security, the Supreme People's Procuratorate, the Supreme People's Court, the Ministry of Justice and the All-China Women's Federation have jointly issued several documents on cracking down on criminal activities of abducting and selling women and children. In addition, the Ministry of Public Security and the All-China Women's Federation called special meetings to study the situation in criminal people-trafficking activities and made specific arrangements for cracking down on such offenses. Under the leadership of local party committees and governments, public security organs in various places worked in close cooperation with relevant departments and founded ad hoc leading bodies and offices, while adopting various measures to organize and unfold the struggle in "cracking down on abduction." In particular, the crackdown on crimes of abducting and selling women and children was listed as an important content in the campaign to eliminate the "six vices" unfolded nationwide in November 1989 as well as in the campaign to "severely crack down on serious crime" unfolded in May 1990, and such offenses were severely dealt with according to the law. Based on incomplete statistics, between 1989 and 1990, 39,829 cases of abducting and trafficking women and children were uncovered, involving 65,236 criminals in this category and 8,942 criminal gangs, comprising 30,050 gangsters; consequently, some 30,525 afflicted women and children were emancipated. These actions played a role in halting criminal people-trafficking activities. Toward the end of 1990, the Ministry of Public Security and the All-China Women's Federation called another work meeting on cracking down on criminal activities of abducting and selling women and children and investigating and banning activities of prostitution and visiting prostitutes. Central leading comrades participated in the meeting and gave important instructions. In its wake, a summary of the meeting and the speech by Comrade Li Tieying (state councillor and concurrently minister of the State Education Commission—editor) were published. At present, public security organs of various places are implementing the meeting's spirit to continue to unfold the fight against abducting and selling women and children by linking it to the "crackdown on pornography" and eliminating the "six vices."

Although the crackdown on criminal activities in abducting and selling people has never ceased, such activities remain rampant, and continue to spread in some places for many reasons, both objective and subjective. Objectively, it is profitable to traffic in women and children, with the existence of a huge "market of buyers," while the practice of mercenary marriages is popular in many rural areas. Generally, the bridegroom has to offer a tremendous sum as a gift to the bride's family, and buying a wife is more economical than a traditional

marriage, while another important cause is that our ideological understanding, grass-roots organization and legal system building, as well as work in comprehensive improvement, have failed to make headway. Some leading comrades lack sufficient understanding of the seriousness and danger of such ugly social phenomena, and are weak in organizing work in this arena. Many grass-roots rural governmental organizations fail to play their role, and some are in a state of paralysis or semiparalysis; some grass-roots cadres and party members even tolerate, participate in or support such criminal activities of abducting and selling women and children. Furthermore, work in comprehensive improvement has not been implemented, and relevant departments have no clear division of labor, while failing to unfold propaganda and education in the legal system among the masses. The public security and justice organs of many places are short of police manpower and have difficulties regarding funds for dealing with cases. Consequently, they have failed to promptly investigate and round up criminals involved in abducting and selling women and children and to find clues concerning and to liberate the victims.

In cracking down on and handling criminal cases in the category of abducting and selling women and children, the stipulation in law is incomplete and imperfect.

1. The stipulation in the penal code regarding offenses of abducting and selling people in general cases is rather involved in principle and on the lenient side in meting out penalties. Regarding general cases of abducting and selling people (which are numerous), the maximum sentence is five years imprisonment, whereas the same penalty is meted out for the theft of one head of farm cattle for sale, involving a sum below 1,000 yuan. No wonder those people handling cases and the dependents of the injured say "human beings are even inferior to cattle."

2. Buyers are an important cause accounting for the increasingly serious situation in offenses of abducting and selling people. Where there are buyers there is a market. Buyers actually play the role of promoting the crime. This being the case, aside from severely cracking down on lawbreakers in abducting and selling people, the clause that the criminal responsibility of buyers should be investigated and affixed should be explicitly written into relevant law correspondingly.

3. In the document entitled "Answers to Several Questions Regarding the Specific Law To Be Applied in Handling Cases of Abducting and Selling People at Present" jointly issued by the Supreme People's Court, the Supreme People's Procuratorate, and the Ministry of Public Security in 1984, the determination of the nature of, and meting out penalties for, the offense of abducting and selling people are dealt with in principle, and it is rather difficult to grasp in its specific implementation. In handling cases in this category, more often than not several lawbreakers will have participated in the same

case of abduction and trafficking; however, the first-hand, second-hand, and third-hand traffickers do not necessarily fall into the categories of "abduction" and "trafficking" because there was division of labor, with some of them specializing in "abduction," others specializing in "bargaining," and still others specializing in transporting and relaying. That being the case, we should not require the condition by which every accomplice in the same case must be pinned down to "abduction" and "trafficking" before he is found guilty. So long as anyone who aimed to make a profit, subjectively shared an intention with others, and was objectively involved in conspiracy participated in the abduction, trafficking, transporting, relaying, concealment, selling, or reselling of any woman or child and is found guilty of being a member of a criminal gang or a general accomplice according to the special conditions of the case and the crimes of each offender, and so long as the basic facts of the crime are clear, with the basic evidence being sound and identical statements from the accused and the victim, the offender should be found guilty. In a case involving several accomplices, the criminal facts concerning every offender in the same case should be investigated where conditions are ripe so that all files of offenders in the same case can be closed. However, regarding a criminal at large in the same case whom it is actually very difficult to round up, the measure of opening a separate file for that particular criminal can be adopted, under the prerequisite of not affecting the convicting of and meting out of penalties to other accomplices in the same case, while the practice of apprehending and handling the accused involved in the same case only after all of them are rounded up is unacceptable.

### Science & Technology

#### PRC Aeronautics Exhibition Opens in Hong Kong

##### Official Interviewed

HK2611060291 Hong Kong WEN WEI PO  
in Chinese 22 Nov 91 p 12

[By reporter Wen Ching (2429 7231): "Special interview" with Zhang Lihui, chairman of China Aeronautics and Astronautics Association: "Development of China's Aerospace Industry—Continue Efforts To Shift to Civil Use"]

[Text] After 35 years of regeneration through self-reliance and hard struggle, remarkable achievements have been made in China's aerospace industry. Apart from the ability to develop independently various kinds of satellites, carrier rockets, and measurement and control equipment, China's aerospace technology has begun to enter the international market and, by providing the service of launching satellites into orbit for foreign countries, has won international fame. When interviewed by this reporter, Zhang Lihui, chairman of the China Aeronautics and Astronautics Association, said: The funds used by China's aerospace industry in 35 years

are less than a year's investment in aerospace by the United States and the Soviet Union. Therefore, we are proud of the achievements in China's aerospace industry.

Zhang Lihui said: China is a developing country, with limited financial resources. We cannot follow the space policies of the big powers like the United States and the Soviet Union. The development of China's aerospace industry is to meet the requirements of the country's economy and to benefit the people. She said: At present, there is a large international aerospace market, but it is occupied by some developed countries. China's carrier rockets entering the world market mainly serve to supplement the international market, giving consumers one more choice.

Zhang Lihui said: Restricted by financial and material resources, China still lacks the capability to win a larger share in the international market. That is why we primarily develop what our country needs. We cannot make too many efforts to compete in the international market. As a matter of fact, at present, China has no intention of competing.

With regard to aerospace technological exchange between China and foreign countries, Zhang Lihui indicated: At present, China has conducted aerospace technological cooperation and exchange with more than 40 countries and regions. China is cooperating with Brazil in developing a global resource satellite, and will launch two satellites for Australia next year.

Meanwhile, Zhang Lihui expressed dissatisfaction with the work to shift aerospace science and technology to civil use, as well as to serve national production. She said: It has been nearly a decade since 1982, when our country implemented the policy of shifting high science and technology to civil use. Although great efforts have been made in the entire aerospace industry, little has been done in applying high science and technology to national production. We must work harder for this.

Finally, Zhang Lihui hoped that the Hong Kong compatriots would heighten their sense of pride through the "Exhibition of China's Astronautics Science and Technology" starting 29 November. She said: The exhibition in Hong Kong by China's aeronautics and astronautics units is not aimed at making propaganda for business purposes, but at making young people in Hong Kong better acquainted with the achievements of China's aerospace over the past 35 years.

#### Long March Rocket To Be Shown

OW2311184991 Beijing XINHUA in English  
1510 GMT 23 Nov 91

[Text] Beijing, November 23 (XINHUA)—China will, for the first time in history, exhibit sections of the country's Long March-3 rocket in Hong Kong and will offer exhibits of the history of China's space industry, according to the Ministry of Aerospace Industry.



The exhibits will be presented at the China space technology exhibition which is being sponsored by 13 organizations from the Chinese mainland and Hong Kong.

The eight section exhibition, which is scheduled to run from November 28 to December 12, includes: space exploration in ancient China, the contemporary space industry of China, carrier rockets, man-made satellites, sounding rockets, launch, testing and control, and experimental equipment, applications of satellites, and, machinery and electronic products.

The exhibits were shipped to Hong Kong today.

#### Official Discusses Future Launches

HK2911024691 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1303 GMT 26 Nov 91

[By reporter Zhuo Jianan (0587 1696 1344)]

[Text] Hong Kong, 26 Nov (ZHONGGUO TONGXUN SHE)—Jiao Yong [3542 0516], China Astronautics Association council member, said today that during the Eighth Five-Year Plan, China will deploy a Dongfanghong [The East Is Red] III telecommunications satellite; a Fengyun [7364 0061 Clouds] II meteorological satellite; and, in cooperation with Brazil, a global resources satellite. Next year, China will deploy two telecommunications satellites for Australia and one for Sweden.

Jiao Yong made the above disclosure at today's eighth meeting of the preparatory committee for the "China Space Technology Exhibition" to be held in Hong Kong. He also disclosed that the Dongfanghong III is one of China's second generation of telecommunications satellites, used mainly for domestic telecommunications, including television, broadcasting, facsimile, and telegrams. This satellite will be deployed using a Long March III rocket at the end of 1993 or the beginning of 1994. As a geostationary satellite, the Fengyun II meteorological satellite is also expected to be deployed using a Long March III rocket in 1993.

Jiao Yong indicated that, up to now, the international satellite launch market has been monopolized by European and American countries. France and the United States account for almost 60 percent and 40 percent respectively of the market, while China makes up only a very small proportion. This is mainly because of the restrictions on obtaining satellite permits, because almost all the satellites concerned are made in European and American countries and these countries undoubtedly hope that they will deploy the satellites themselves. For example, the satellite-launching contract between China and the Arab Satellite Organization signed at the beginning of this year had to be canceled because of problems in obtaining satellite permits. However, China ranks among the world's advanced countries in rocket-launching technology and is by no means inferior in comparison to advanced European and American countries. China is hopeful of opening up new satellite-deploying markets. At present, Chinese is very interested

in the Asiasat II, developed by the Asia Satellite Company, a joint-stock company involving China International Trust and Investment Corporation, Hutchison Whampoa, and Britain's Cable and Wireless. China hopes to launch satellites for this company again.

#### Vice Minister on Benefits

OW2711190991 Beijing XINHUA in English  
1505 GMT 27 Nov 91

[Text] Hong Kong, November 27 (XINHUA)—China's space technology has reached the world advanced level in some important areas and its application has resulted in excellent social and economic benefits in the development of national economy.

This was stated by Liu Ji Yuan, Chinese vice minister of aeronautics and space industry and vice director of Chinese Society of Astronautics.

Addressing in Marco Polo Club here this evening, Liu stressed that China's space industry has been following the principle of 'exploring outer space to bring benefits to people.' Instead of taking part in the superpower space competition, he said, China uses its limited fund to develop application satellites and their launch systems to meet its immediate needs.

He said that China has made six versions of the 'Long March' series rockets since 1970 and had had 28 successful launches by the end of 1990, sending 30 China-made satellites and two foreign satellites into planned orbits.

Among the 30 satellites, there are five telecommunications satellites, 12 recoverable remote-sensing ones and two meteorological ones.

Speaking of the preliminary application of the satellites, he said the China Central Television's first and second set programs and the China Central People's Broadcasting Station's more than 30 foreign languages' programs have been broadcasting via those telecommunications satellites. 30 thousand satellite TV receiving stations have been set up in China and they have greatly raised the coverage of TV receiving.

By the end of 1991, he said, more than 7,000 satellite telephone lines will have opened. Besides, he said, communications satellites have provided the specialized data communications in the departments of bank, electric power, water conservancy, petroleum and coal industry.

As to TV education, the central education TV station has opened two educational channels using China-made communications satellites, which have more than 20 million students and trained 1.2 million teachers for primary and middle schools. China can reduce several billion yuans of education cost in one year only by the use of the TV education, he said.

Turning to the territory and resources survey, he said, satellite pictures offered information on new oil construction in Talimu Basin, Xinjiang Autonomous Region. They also helped to determine the range of coalfield and directly divided the coal bed during the survey of coalfields in Shanxi Province and the Inner Mongolia Autonomous Region.

Liu also briefed the participants on the application of space technology in the area of meteorology and disaster prevention and microgravity experiments.

Speaking of cooperative relations between the mainland and Hong Kong in space technology, the vice minister said the combination of China's space high technology with Hong Kong's superiorities in finance, trade and information will contribute to both the prosperity of Hong Kong and the development of the Chinese space industry.

Liu has been here to inaugurate the exhibition 'China Space,' which is scheduled to open at the Hong Kong Convention and Exhibition Center here tomorrow.

#### **Exhibition Opens 28 Nov**

*OW2811152291 Beijing XINHUA in English  
1438 GMT 28 Nov 91*

[Text] Hong Kong, November 28 (XINHUA)—Chinese space community, for the first time in 35 years, opened a space exhibition overseas here today.

The centerpiece of the display at the Convention and Exhibition Center is a Long March III rocket, which won international fame last year when it carried the Asiasat I communication satellite into orbit. The satellite is owned by Hong Kong-based Asia Satellite Communications.

Addressing the opening ceremony, Liu Jiyuan, Chinese vice minister of aeronautics and space and vice director of the Chinese Society of Astronautics, said the event is designed to give a general view of China's space industry to all the circles in Hong Kong, young students in particular, and promote economic and technological cooperation between the Chinese mainland and Hong Kong.

China has made six versions of Long March series of launch vehicles since 1970 and had made 28 successful launches by the end of 1990, sending 30 China-made satellites and two foreign ones into orbits. The 30 China-made satellites include five telecommunications satellites, 12 recoverable remote-sensing ones and two meteorological ones.

On display are China's first satellite, an experimental satellite, a communications broadcasting satellite, a recoverable satellite and a sand plate [as received], 10 meters wide and six meters high, which depicts the whole process of launching a communications satellite.

The show was held jointly by thirteen organizations including the Chinese Society of Astronautics, the China Great Wall Industry Corporation, the Hong Kong Association for Advancement of Science and Technology.

Among more than 1,000 people attending the opening ceremony were Zhang Junsheng, deputy director of XINHUA NEWS AGENCY Hong Kong branch, Nie Li, official from the Commission of Science, Technology and Industry for National Defense, and local celebrities Fok Ying Tung, Li Ka Shing and Stanley Ho.

During the fortnight-long show, the Chinese Society of Astronautics will hold a space science and technology symposium for the Chinese people both at home and abroad in Hong Kong, gathering dozens of Chinese scientists from the Chinese mainland and overseas to discuss strategies for application and development of the space technology.

Liu Jiyuan, in his address given in Marco Polo Club here yesterday, said instead of taking part in the superpower space competition China uses its limited fund to develop application satellites and their launch systems to meet its immediate needs.

He noted that the types and number of the Chinese application satellites are relatively limited and the satellite application technology is not very advanced. "China will continue to develop application satellites and expand the satellite application, further benefiting the social civilization and progress of Chinese people by the development of space technology," he added.

#### **General Nie Li Attends**

*HK2911040691 Hong Kong SOUTH CHINA  
MORNING POST in English 29 Nov 91 p 15*

[By Daniel Kwan]

[Text] General Nie Li, arguably China's most powerful woman, yesterday opened a \$6 million aerospace show in the Hong Kong Convention and Exhibition Centre in Wan Chai, her first public appearance in the territory.

Daughter of the legendary Marshal Nie Rongzhun, also called the father of the Chinese missiles, General Nie, 61, is the deputy chief of the Commission of Science, Technology and Industry for National Defence.

The general deftly handled a large crowd of reporters, who pelted her with questions about alleged sales of Chinese missiles to Syria and Pakistan.

Together with the Vice-Minister of Aeronautics Mr Liu Jiyuan, General Nie acted as a tour guide for Hong Kong tycoons Mr Li Ka-shing, Mr Henry Fok, and Mr Stanley Ho.

Mr Zhou Nan, China's top envoy in Hong Kong, was tied up with the ongoing eighth party plenum in Beijing and missed the opening ceremony. He was represented by one of his deputies, Mr Zhang Junsheng.

The tour's first stop was at models of Chinese rockets, from the first generation Long March I to the latest Long March IIE/HO.

The tour almost went without a hitch as the three tycoons listened attentively to an account of China's satellite and rocket history, although at one point, a projector failed to keep up with General Nie's account of the Long March III rocket.

The first guest to excuse himself was Mr Ho who apparently had to catch an evening engagement. But his friends decided that General Nie's company was an opportunity too good to miss.

The China aerospace exhibition will run from today until December 12.

#### Research Centers Promote Technology Development

HK2211013691 Beijing CHINA DAILY in English  
22 Nov 91 p 3

[Report: "First Class Research Centres Are a Success"]

[Text] China's research centres for post-doctoral study and work have strengthened the country's scientific research and high technology development in various fields since they were initiated six years ago.

According to Zhuang Yi, director of the Department of Expert Affairs of the Ministry of Personnel, China has set up 278 post-doctoral research centres so far in 27 central departments and many work units and institutions across the country.

These stations now cover 42 first-class research projects for science, industry, agriculture, medicine and law.

So far, over 1,260 doctorate holders, with an average age of 30, have been engaged in research work in the centres. Some 40 percent of the doctorate holders, who earned their degrees overseas and have since returned, have worked at the research centres.

Many of them are now undertaking major research tasks for State and provincial science and high technology projects.

China started the post-doctorate practice in 1985 following the advice of famous Chinese-American physicist Tsung-dao Lee, according to Zhuang.

The China Youth News reported that the State has drafted 30 policies to promote the post-doctorate research practice.

It said the research centres have greatly advanced China's academic and personnel exchanges by reducing academic inbreeding.

Investigations made concerning the first group of 260 post-doctorate degree holders showed that they had taken part in 414 key State scientific research projects for the Seventh Five-year Plan period (1986-90) and

other high technology research. They had published over 700 papers in international and national magazines while 19 of them had won State and ministerial level scientific awards.

To encourage more senior intellectuals to return from overseas and serve their motherland, Zhuang said the Ministry of Personnel has recently decided that any work units which have research centres are allowed to receive an unlimited number of returned doctorate holders.

#### 'Newsletter' Supports Training Young Scientists

OW2411093291 Beijing XINHUA Domestic Service  
in Chinese 2118 GMT 21 Nov 91

["Newsletter" by Chen Jinwu (7115 6855 2976): "Training 'Commanding Officers' for the Scientific World—A Chronicle of Zhou Guangzhao's Personnel Training Endeavors"]

[Text] Beijing, 22 Nov (XINHUA)—There is a galaxy of talent in the Chinese Academy of Sciences [CAS], and the number of senior scientists, who are called leading academics, is about 15,000.

President Zhou Guangzhao has appraised the role of the leading academics and said: They are like commanders in wartime, whose quality decides the work style and fighting capacity of the troops, even the victory or defeat in campaigns. The reputation and size of the CAS today are inseparable from the role of hundreds of the outstanding scientists in the academy's early days.

Zhou Guangzhao is very worried about the aging leading academics in the CAS: The number of senior scientists under 45 years of age in the CAS is less than 650 at present. What does this mean to the academy? Obviously, it can be seen that there will be a temporary shortage of leading academics when a large number of "older scientists" retires in the near future. The academy's favorable condition in personnel will disappear and its scientific and technological strength will be weakened.

Zhou Guangzhao has pointed out the truth at a number of academic conferences that the CAS is now at a critical juncture, which can determine its continued development or decline. This is not an alarmist view. We are faced with some fundamental problems in three areas essential for a smooth development of scientific research: personnel, funds, and system. The most crucial one is the problem of personnel.

#### A Decision To Fill Personnel "Vacuum"

A knotty problem is that the younger scientists cannot succeed the older ones smoothly. Since taking office in 1987, Zhou Guangzhao has always tried to find the focus of his efforts every time he studied the CAS chart of personnel structure.

He has paid close attention to the "older scientists" who are known far and wide for their brilliance—members of



the CAS Scientific Council and research fellows. Their average age is more than 55. Although they still have their power and influence and most of them are still in charge of scientific research, ruthless time is pressing them out from the forefront of scientific and technological struggle.

He has taken note of the middle-aged generation which pushes forward with important tasks on its shoulders. Most of them from this generation are in their forties. For historical reasons, they did not inherit much in the field of their work when they were young and there is not much time for them to acquire knowledge. Although they are the backbone of scientific forces, they are not able to take up important tasks, as there are few "talented people" among them. And the "vacuum" in personnel crops up here.

He places his hopes on spirited young people: some 20,000 scientists, postdoctoral scholars, students studying abroad, and postgraduate students under 35 years of age. They are the future hope of the CAS and a source of scientific and technological "talent." However, only those above average can promptly outlive others with their ability. What is more important is that this needs time and opportunities.

Considering the financial and material resources now available, it would be prohibitive and impractical to improve the research and living conditions for the older, middle-aged, and younger scientists as a whole.

After carefully analyzing the problem, Zhou Guangzhao and leaders of other academies resolutely made a decision: While the older and middle-aged scientists are continuing to play their role as the backbone, the training of outstanding young leading academics should be taken as the most important task in the personnel work and development strategy of the CAS.

#### **Recognize the Talent With Astuteness**

Zhou Guangzhao has said: "I believe that China is not short of outstanding youths with both ability and political integrity."

This sounds familiar to the ear. But this is not merely a simple judgment of Zhou Guangzhao. The significance of his words is enriched by the courage and resolution to discover, select, train, and utilize outstanding young scientists and create conditions for them to succeed quickly.

The most convincing cases are the rise of a number of outstanding young scientists:

Thirty-eight-year-old Bai Chunli of the Institute of Chemistry is the first person in China to study the new tunnel scanning microscopy, and used the tunnel scanning microscope, developed by himself, to first observe the new structure of DNA. Few people, however, knew about his great achievement. Not long after his return home from abroad in 1987, Zhou Guangzhao admired

Bai Chunli's remarkable talent. When he knew that Bai's research was in dire need of funds, he resolutely made a decision to withdraw 300,000 yuan from the presidential fund, and this money was given for the project in only two months.

When Yuan Yaxiang of the Computer Center was still studying in England, he was well-known in the international circle of computational mathematics for his remarkable achievements in non-linear optimum computing methods. Zhou Guangzhao valued his excellent talent in mathematics. When Yuan Yaxiang returned home in 1988, he was promoted from assistant research fellow to research fellow with special approval. He was 28 years old then and was China's youngest leading academic in the field of computational mathematics.

The others are Zhang Ze, a researcher in the structure of semicrystalline material; Du Dingzhu, who studies applied mathematics; Qin Dahe, who crisscrosses the Antarctic to study the glaciers; and 27-year-old Lu Ke, who is an expert in new materials for amorphous alloy. All these glowing "new stars" of the science and technology circle have added vitality to a team of leading academics of the Chinese Academy of Sciences.

Recruiting of a group of promising young scientists representative of these outstanding young people can be considered a way to provide a quick solution to the crisis of personnel shortage. Zhou Guangzhao said: If we create conditions and opportunities and give young people due respect and support, we may be able to shake off the disturbing problem of "vacuum," and groom scores, or even hundreds of personnel of command capability possessing a sound foundation and vast knowledge in scientific research, strategic foresight and energy, and the ability to organize and unify scientific forces.

However, this will not be smooth sailing. The current system, which is not totally reasonable, and the restrictions of traditional concept, such as selection according to seniority of age, mutual comparisons, and equalitarianism, have made special promotion of young scientists a difficult task to carry out. It has been difficult to break such rules, whether in the improvement of scientific research environment and in living conditions, or in job promotions. However, a common understanding has been gradually reached in the entire academy through propaganda, explanation, and persuasion. A massive and exciting project concerning the academy's personnel is being carried out in full-scale according to the selection policy of making unified planning with due consideration for all sides and of concentrating on tackling key issues.

#### **Implementation of Personnel Training in the Entire Academy**

With Zhou Guangzhao's proposal and guidance, the entire staff of the Chinese Academy of Sciences has mobilized to select and train young experts in science and technology. A number of effective measures has

been adopted. Special financial aid has been given to support their work. The academy has established the President's Foundation to fund selected scientific research projects conducted by 44 outstanding young scientists, such as Bai Chunli. The amount of funds extended constitutes over 75 percent of the foundation's fund. The academy's various institutes have followed one another in establishing a foundation system which is specially applied for selecting and supporting young scientific and technological personnel under the age of 35 to embark on research programs.

Special policies for appraising and employing staff have been adopted. Zhou Guangzhao has signed and issued a series of the academy's documents on personnel training. The documents clearly stipulate that the academy should set these yearly goals: to select and promote outstanding young scientists of the academy for professional duties, and to hire not less than 20 percent of high-ranking scientific and technological personnel under the age of 40 every year. The documents also set forth relevant requirements for project programs, research offices, and personnel of leading bodies.

The academy encourages competition and supports selected outstanding people. It has combined external environment to improve the living conditions for its personnel. Winners of the Outstanding Young Scientist Award, judged biennially, enjoy preferential treatment in studies abroad, academic exchange participation, and in housing allotment, apart from having support fund for specialized scientific research programs.

Entering the 1990's, Zhou Guangzhao has led a force of over 50,000 scientific and technical people in accelerating the pace of training and in grooming a new generation of leading academics. Forums, meetings on principles and ideological guidelines, and planning meetings have been held successively to communicate thoughts and exchange opinions among the staff, resulting in continual and effective implementation of measures. Results and experiences were reported at the first work meeting on young scientists convened by the academy at the end of last year. It was a grand parade of the academy's personnel training and a mobilization exercise gearing toward the new goals in personnel training.

#### **Welcome a Future Full of People of Talent and Leadership**

Zhou Guangzhao is pleased to see that a contingent of prominent young scientific bellwethers has emerged at the forefront of the scientific arena, bearing the "commander's standard." They average 36 years of age, with the youngest being 25 years old. With special permission, 41 of them were promoted to research fellows, and 82 to assistant research fellows, while more than one-third of them were appointed as directors or deputy directors of research centers. In addition to remarkable scientific talent, they also demonstrate their abilities as pacesetters.

Many research institute directors, as well as senior scientists, observe in deep recognition that Zhou Guangzhao was indeed sagacious and wise when he decided to cultivate and use young "people of leadership." Speaking of their own minds, some outstanding young scientists note that the effort to create a favorable research environment for the development of young "people of leadership" has in itself an irresistible appeal.

The success of the effort has inspired all levels of leaders and scientists at the Chinese Academy of Sciences. At the work meeting, new policies and systems were presented for fostering people of talent. The trial results of these policies and systems have been heartening. Zhou Guangzhao said: The implementation of "new measures for newcomers and old measures for old-timers" is aimed at upholding high standards and strict requirements. It also is intended to create for the younger generation a work environment where they may achieve success through hard work and various channels, as well as an evaluation and selection system that permits fair competition. In so doing, a new management system may take shape that is conducive to the development of young people of talent, and the strategic handover to the younger generation of the forefront responsibilities in scientific research may be accomplished smoothly.

"Young people cannot be good successors by the sheer advantage of their age." Aside from encouraging them, Zhou Guangzhao also makes stringent demands on young scientists. He emphasizes: It makes no difference whether one gets his or her doctoral degree at home or abroad. At the Chinese Academy of Sciences, only those excellent young people who have their feet firmly planted on the soil of China, devote themselves to science, and make superior achievements, are the top-notchers of today and the backbone of tomorrow.

Looking to the future, Zhou Guangzhao is full of confidence. He says: Once we take it seriously and adopt effective measures, we can head off the worrisome crisis of leadership "vacuum." An era full of people of talent and leadership is sure to come.

### **Economic & Agricultural**

#### **Bid To Bolster State Enterprises Announced**

*OW2811184491 Beijing XINHUA in English  
1536 GMT 28 Nov 91*

[Text] Beijing, November 28 (XINHUA)—China will give top priority to industrial reform in a bid to invigorate large and medium-sized enterprises, a senior government official said here today.

Gao Shangquan, vice-minister of the State Commission for Restructuring the Economy, told a press conference that major efforts would be made to grant enterprises more autonomy in their operation and to change their operating mechanism to best increase their competitiveness.

He noted that about 36 percent of state-owned large and medium-sized enterprises are now running at a loss.

The number of enterprises going bankrupt is not too high, he said. However, Gao said, those enterprises which run at a loss and have no markets should be closed, stop production, be merged or shift to other production.

To help enterprises, he said, it is necessary to conscientiously implement the enterprise law and grant them more decision-making power.

Next year efforts will be made to formulate rules to streamline the implementation of the enterprise law and revise other related rules and regulations, including regulations on the work of factory directors, he added.

He said that emphasis will be on the implementation of decision-making power of enterprises.

He said that it is necessary to stick to and improve the contract-based enterprise management responsibility system and the internal management of enterprises.

According to the vice-minister, the government will improve state control over enterprises to gradually combine direct and indirect controls with the emphasis on the latter.

He said that the government will reduce taxes on large and medium-sized enterprises and encourage them to concentrate on production and business operations.

#### More on Reform Plans

OW2911091191 Beijing XINHUA Domestic Service  
in Chinese 1101 GMT 28 Nov 91

[By RENMIN RIBAO reporter Zhang Guorong (1728 0948 2837) and XINHUA reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 28 November (XINHUA)—At a news conference on the tentative plan for next year's reform, Gao Shangquan, vice minister of the State Commission for Restructuring the Economy, said: To make substantial progress in establishing a new system, the reform to be carried out next year should be connected with the implementation of State-Council approved "Outlines for the 10-Year Program and the Five-Year Plan for Restructuring the Economy." The reform should also be coordinated with previous reforms to maintain the continuity and stability of various important reform measures.

Gao Shangquan first provided a briefing on the progress made in this year's reform. He said: Because of the remarkable success achieved in the economic improvement and rectification drive, the economic environment was greatly improved and political, economic, and social situations were stabilized. This has created good conditions for making greater strides in this year's reform. The new progress achieved in this year's reform is most clearly observed through the following results.

1. The reform in enterprises was continued and furthered. The renewal of contracts with state-run enterprises was accomplished smoothly. Except for a small number of enterprises that separated taxes and profits, 95 percent of enterprises renewed their contracts at the beginning of this year.

2. Concentrating on changing enterprises' operational mechanisms, attempts were made to invigorate state large- and medium-sized enterprises. The State Council proposed 11 measures for invigorating state large- and medium-sized enterprises, and the work conference of the CPC Central Committee followed up with 20 measures for running enterprises smoothly. The State Council agreed to allow 55 large business conglomerates to carry out these measures on an experimental basis, with an view to improving the quality of enterprises and increasing their competitiveness.

3. Some pilot enterprises continued to "separate taxes and profits" and implement the shareholding system. There are now some 2,000 pilot enterprises separating taxes and profits.

4. Greater strides were made in circulation and price reform. Export subsidies were canceled and a new mechanism was implemented in which all kinds of trading enterprises independently manage their own affairs and assume exclusive responsibility for profits and losses. The original marketing prices of grain and cooking oil were greatly readjusted for the first time in 25 years. Guangdong, Hainan, and Fujian Provinces released their plans for grain reform and basically set purchasing and marketing prices at the same level. Chongqing City has 90 pilot commercial enterprises practicing reform in management, pricing, distribution, and employment and good economic and social benefits have resulted. Its experience is now being promoted throughout the country. Prices for railway transportation, crude oil, steel products, and other basic products were also readjusted smoothly this year.

5. Social security and housing reform further progressed. At present, 52 million full-time staff and workers in state enterprises and 14 million contracted workers have endowment insurance, and 2,227 cities and counties throughout the country have adopted the social endowment insurance system. An insurance system for staff and workers of state enterprises awaiting job assignments has also taken shape. The beginning stages of a major framework for housing reform was set up this year. A number of housing reform measures were implemented by 12 cities and 13 counties and towns, and some 300 towns implemented single reform measures.

6. The scientific and technological system reform was furthered. The State Council approved the establishment of 27 new high-technology state development zones and decided that Beijing, Shenyang, Wuhan, Zhongshan, and Chongqing would be key linking posts of the pilot new high-technology development zones.



7. The financial and tax system reform was furthered. Interest rates for deposits and loans were reduced again this year. Twenty-five percent of treasury bonds were consigned to banks or nonbanking financial institutions for sale instead of their being totally distributed according to administrative orders. The long-term capital market developed rather fast this year. The combined prices for various securities rose from some 100 billion yuan in 1990 to nearly 200 billion yuan, and trade volume increased about 100 percent. The regulatory tax on investment on fixed assets came with the financial and tax system reform. The original construction tax was removed, and the two sets of income tax laws for enterprises engaged in foreign business was combined.

Speaking of the major tasks for next year's reform, Gao Shangquan said: While reform is carried on in rural areas next year, efforts to invigorate state-owned enterprises should be placed in a special position. The focal points are granting enterprises autonomy in their operations, changing their business mechanisms, and initiating other relevant reform measures to create conditions for fair competition among enterprises; stepping up reform in the circulation and social security systems and vigorously improving the microeconomic regulation system and control and distribution system; and continuing to promote key experimental reform measures that cannot be fully implemented soon because of some limitations, in order to speed up the replacing of the old system by the new one.

Gao Shangquan pointed out: Enterprise reform should be started from changing the business mechanisms in order to further invigorate state large- and medium-sized enterprises. We should act promptly to formulate the rules for the implementation of the "Enterprise Law" and to revise the "Regulations on the Work of Factory Managers" and other relevant laws and regulations. The key points of the work are truly giving enterprises autonomy in managing cadres, employment, distribution, and the establishment of organizations; persistently improving the contract management responsibility system and strengthening the internal management of enterprises; improving the state's management of enterprises, gradually combining direct and indirect controls with emphasis on the latter, and taking practical measures to gear enterprises to the market step by step; retaining well-run enterprises and closing down the poor ones to promote a reasonable circulation of elements of production and the readjustment of enterprises' organization and structure; and relieving the burden of state large- and medium-sized enterprises, so they can concentrate on revitalizing their production and management.

Gao Shangquan said: We should seize the chance to make substantial progress in improving the microeconomy, circulation, and distribution.

1. We should change our ways of executing plans. The state, provinces, and municipalities should improve their ways of controlling mandatory plans according to conditions, appropriately expand parts of mandatory

plans such as adopting the method of rationing out goods at fixed locations and with a flexible pricing system, and improve the form of fulfilling guidance plans.

2. We should further the investment system reform, optimizing industrial structure, product mix, and patterns of enterprises.

3. We should broadly promote the double budgeting system and take down-to-earth measures to reduce financial subsidies. Within the next three years, the income tax rate for state-owned enterprises will be reduced from 55 percent to 33 percent; a fair taxation system for multiple economic sectors will be introduced to encourage fair competition among enterprises.

4. We should further improve the central bank's regulatory and controlling functions, study and devise a set of scientific indicators to regulate and control monetary policies, improve the operational mechanism of specialized banks, and reduce administrative distribution and interference in loan granting.

5. We should further the circulation system reform and vigorously and steadily promote pricing reform. We should further reduce varieties and quantities of materials earmarked for unified state distribution. In order to invigorate the circulation of capital goods, experiments may be conducted in which some of the goods may be purchased by orders placed by the state, supplied by the state, or purchased by orders under long-term futures contracts. We should further improve the system by combining distribution and management of agricultural products and the classified management system with a view to developing wholesale markets. We should adequately increase our pace in price reform, readjusting and decontrolling prices for various products according to their categories, under the principles of revitalizing the economy and stabilizing the market.

6. We should promote overall reform in the salary, social security, and housing systems to eliminate inequalities in distribution. A nationwide housing reform campaign will be launched in full swing within the next two years.

Gao Shangquan said: We should also strengthen our leadership, develop an overall plan to vigorously carry out important experimental reform measures, reduce the income tax rate for state enterprises, and further expand experimentation in the system of "separation of taxes and profits" next year. We should conscientiously summarize experiences of pilot enterprises in practicing the shareholding system and provide various forms of guidance to different types of areas. We should continue our study of the tax-dividing system, which is based on the division of managerial power between the central and local authorities, and implement it in some pilot provinces and cities.

**'Austerity' Plan 'Fulfilled'**

HK2811092791 Hong Kong AFP in English 0906 GMT  
28 Nov 91

[Text] Beijing, Nov 28 (AFP)—China Thursday officially buried its 1988 austerity programme which had been considered dead by economic experts for many months.

"After a three year effort of rectifying the economic order, the basic task.... [ellipses as published] has been completed and fulfilled," said Gao Shangquan, deputy director of the State Commission for Restructuring the Economy.

"Our economy has returned to the path of normal development," he said.

The plan was introduced by Premier Li Peng when the economy was overheating and inflation was more than 20 percent.

Although the austerity plan was eased at the end of last year, especially with the reopening of credit lines, authorities had been reluctant to declare it lifted.

China's media recently questioned the plan, claiming it had not resolved structural problems in the economy.

It put a sharp brake on economic growth before a respite last year.

Gao did not deny that the end of the plan risks triggering a renewed economic surge.

He said that industrial production could swell 14 percent, exceeding government targets.

Industrial growth is "more rapid than anticipated," he said.

Chinese authorities have until now said they are satisfied with the renewed vigour of the economy, while sticking to the official six percent industrial growth target despite monthly figures which indicate a boom.

"We hope not to see again the recurrence of overheating," he said, but added "one can never say that this is ruled out."

Measures have been taken to stabilise the state industrial sector, now that "36 percent of this sector is in the red."

The official justified the policy of recommending that profitable companies swallow loss makers, a tactic disputed by foreign experts.

A profitable firm needed to expand and could benefit from the infrastructure offered by the absorbed company, he explained.

But he added any takeovers would be "on a voluntary basis. We try to avoid administrative measures."

Concerning the shutting down of loss-making enterprises, Gao refused to give figures which would indicate the extent of the reforms.

The Chinese press recently said that more than 2,000 firms had been shut during the past weeks, a sign the government was becoming concerned with the disastrous condition of the industrial sector.

Authorities want to see more firms confront the realities of the market. Enterprises are expected to be given more role in their management and more responsibility for their results.

Gao said it was necessary to increase economic reform. "We will get nowhere without reform and opening to the outside world."

The State Commission for Restructuring the Economy is charged with advising the government on major economic policy.

**Economist Views Improving State Enterprises**

HK2211151091 Beijing GUANGMING RIBAO  
in Chinese 1 Nov 91 p 3

["Special review" by Sun Mingquan (1327 2494 3123): "Running Large, Medium-Sized State-Owned Enterprises Needs Systematic Designing—Interviewing Jiang Yiwei, President of China Society for Study of Enterprise Reform and Development"]

[Text] "Enterprises are the foundation of the national economy, in which large and medium-sized state enterprises play a vital role." Not long ago, this reporter visited China's renowned economist Jiang Yiwei, who is president of the China Society for Study of Enterprise Reform and Development, in a light-yellow office at the foot of the Yan Shan. Speaking on a current hot topic—the question of how to further improve large and medium-sized enterprises—Jiang Yiwei said, while gesturing vigorously: This is a very immediate problem at present. Whether or not we are able to solve it will directly determine the usefulness of the mechanisms of the national economy. Jiang Yiwei reminded us: Improving large and medium-sized state enterprises involves numerous complicated factors. Some problems are not fresh, and they have long historical reasons. We must not expect to thoroughly resolve them within one or two years. And, because of this, Jiang Yiwei said, in order to further improve large and medium-sized state enterprises, we need to have a systematic and comprehensive design.

**Whether or Not It Is Possible To Make Socialist Enterprises Economic Cells That Possess Vitality No Longer Purely Economic Question But Also Political Question Over Which Two Systems Compete**

As everyone knows, the question of strengthening the vitality of enterprises is not a recent question. But why is it still a crucial question and why has it been put on the political plane? For this, Jiang Yiwei said: Over the past

10 years of reform, we have always paid attention to the central link of enlarging the self-operating powers of enterprises. Our direction has been correct, and we have effectively enhanced the vitality of enterprises. However, as the old system is changing into a new one, because of varying understanding and unmatched measures, there has been progress and retrogression. As a result, the objective of the reform centering on enlivening enterprises is far from being achieved. The returns of many large and medium-sized state enterprises have seriously decreased. Therefore, this saying is popular in some places: For economic development, we depend first on "foreign folks" (enterprises of three capital sources) and then on "town folks" (township and town enterprises). Some people have even drawn this conclusion: State enterprises are inferior to collective enterprises; collective enterprises are inferior to individual entrepreneurs; individual entrepreneurs are inferior to private enterprises. We should admit that many state enterprises are certainly weak in vitality and low in returns, but we believe that this is not determined by the nature of socialist enterprises but by the fact that we have not been able to improve them. Weaknesses in the system, especially, limit and prevent the vitality of state enterprises from strengthening. Now the question is, if we do not improve state enterprises or do not pay attention to returns for a period of time in the future, people will begin to cast doubt on socialism. We should be clear that large and medium-sized state enterprises are an important pillar of the national economy and are the major source of the national income. Their weak vitality and bad returns will have a bearing on whether or not China's socialist economic capability can be strengthened, whether or not the living standards of the masses can be improved, and whether or not the socialist system can be consolidated. Therefore, improving large and medium-sized state enterprises is not merely an economic question but also a political question. We should pay close attention to this point.

**Key To Improving Large and Medium-Sized State Enterprises To Enable Enterprises To Become Independent Producers of Commodities, While Fundamental Answer to This Question Is That We Must Ensure Separation Between Enterprise Management and Government Administration, Between Government's Administrative Management of Enterprises and Management of State-Owned Assets, Between Profits and Taxes, and Between Investment and Credit**

In order to strengthen the vitality of enterprises, it is necessary to reform some systems that limit or affect their development. This also includes a fundamental reform in the enterprise system to enable enterprises to really become independent commodity producers and dealers. This is the answer to the question. So, how do we enable enterprises to really become independent commodity producers and dealers? Jiang Yiwei's view is that it is necessary to separate the following four pairs of aspects:

First, separation between government administration and enterprise management: In the traditional product economic system, which is characteristic of the giving of administrative commands, enterprises are the basic-level organizations in the government system. Enlarging the self-operating power of enterprises is described as the "handing over" of powers. This is a conceptual reflection of the system. In fact, enterprises are economic organizations and economic entities independent of any government organ. The question of power delegation and recovery exists between central and local governments, but it does not exist as far as enterprises are concerned. Nevertheless, they should be conferred due rights and obligations in keeping with the objective demand of commodity producers and dealers. It would be more correct to say "returning" power to them rather than "handing over" power. During the past 10 years of reform, we have carried out some reform in separating government administration from enterprise management. Nevertheless, only the form of reform has been changed, not the substance, as we now see large numbers of administrative companies. Therefore, if the "government business" pattern is not eradicated, enterprises will have difficulty developing on their own.

Second, separation between the government's administrative management of enterprises and its management of state-owned assets, namely separating the government's administrative management function over enterprises and its management function over state-owned assets. The government's administrative management of enterprises is the external management of enterprises' administration and legal system. The government normally should not interfere with the internal affairs of enterprises. The government's management of state-owned assets is a kind of special management. Enterprises receive investments from the state, and this portion of assets should be managed by state assets management departments. And this kind of management should also be done by assets dealers, that is, all kinds of investment companies, and investment companies exercise the shareholder's rights over enterprises where they have invested, and then separate the ownership right and the operating right in the enterprise. Only by forming the following organizational series can enterprises ultimately become independent commodity producers and dealers: "state-owned assets management departments-state investment companies-enterprises that receive investments.

Third, separation between profits and taxes: Separation between the government's administrative management and its management of state-owned assets will inevitably lead to the separation of profits and taxes. Profits are to be turned over to investors, and tax revenues are to be turned over to government departments. Each has its own share. This demands that China's financial and taxation systems be reformed. The variety of taxes and their tax rates should be simplified. Government should keep expenditures within the limit of income commensurate with the amount of tax income. State investment



companies should use state-owned assets and enlarge reinvestment according to state plans and industrial policy and taking into consideration returns for investors.

Fourth, the separation of investments and loans: Since the state has the right of ownership over state enterprises, it must invest in them. Its investments should include fixed assets investments and circulation capital investments. We must not confuse the state's "power" as an investor should have with its administration, or its "responsibility" as an investor should have with loans, or its "profits" as an investor should have with tax income. Otherwise, we will bring a series of confusing phenomena to the macroscopic management system and render enterprises unable to really become independent commodity producers and dealers.

**Necessary To Institute in Enterprises Enterprise System That Reflects Role of Laborers as Subject. Only Thus Can Enterprises Possess Socialist Characteristics and Can Their Superiority Be Brought Into Full Play**

As the sun was setting, the clouds gradually became invisible. Nonetheless, old Jiang was still lively during the conversation. He told this reporter: I only mentioned one side of the objective of the enterprise reform just now. In fact, in deepening enterprise reform, there is another part, namely that enterprises should possess socialist characteristics. In other words, it is necessary to establish and improve socialist relations of production. The two parts are linked.

The basic characteristics of capitalist enterprises are that they take capital as the subject and laborers as the object, giving rise to the abnormal phenomenon that "things rule men." As a result, the development of productive forces is limited. One of the important objectives for socialist enterprises to carry out the system of public ownership is to reverse the "things rule men" situation into "men rule things" and to enable laborers to become masters of the means of production and to become the subject of enterprises, thus promoting the development of productive forces more effectively. In order to achieve this goal, it is necessary to institute in enterprises an enterprise system that really reflects the role of laborers as the subject. For this, Jiang Yiwei put forth his views on reform:

Regarding labor system reform, Jiang Yiwei suggested labor collectives of socialist enterprises be established in line with Marx' idea about joint bodies. Enterprise laborers can be divided into the following three levels commensurate with the degree of responsibility they shoulder for the enterprise: Its main body consists of regular employees who have power over and responsibilities for the enterprise's production and operation. New staff and workers can become contract employees. When their contracts expire and when they have passed examinations, they should be changed to regular employees. Moreover, temporary employees only participate in labor according to provisional agreements. With these three levels in practice, if an enterprise is run well,

temporary employees have the opportunity to become contract employees, and contract employees have the opportunity to become regular employees, thus creating a centripetal force.

Second, regarding property right system reform, on the precondition that the state is the major shareholder, we can encourage staff and workers to purchase shares and enable laborers to have partial property rights over state-owned assets so they will be directly concerned about losses, profits, and capital accumulation and their sense of responsibility as masters can be enhanced.

Third, regarding operating system reform, Jiang Yiwei said: We should favor having staff and workers manage enterprises "on their own," but not "participating in" management. If staff and workers only have the rights to participate in, examine, and decide major policy decisions regarding production and operations without the right to make final decisions, they will still remain in the position as the object rather than the subject. In response to this, Jiang Yiwei suggested: In order to improve the system of contracted economic responsibilities, we should get all staff and workers, rather than merely the factory director (managers), to contract responsibilities to enable staff and workers to exercise their decision-making power.

Fourth, regarding distribution system reform, Jiang Yiwei suggested that the "bilevel distribution according to labor" be carried out, namely, that the enterprise obtains the total amount of salary fund or consumption fund in a manner commensurate with the results of the effective labor it has offered to society. This is the "first level distribution according to labor." Then the enterprise distributes the total amount of the fund which it has obtained among individual laborers in the enterprise in accordance with the labor contributions they have made to the enterprise. This is the "second level distribution according to labor." The state can control the total amount of salary fund or consumption fund in accordance with the criteria for the first-level distribution. Regarding the second-level distribution, the enterprise should have complete freedom to proceed with the distribution on its own.

Fifth, regarding leadership system reform, Jiang Yiwei favored the highest-level principled decisions of socialist state enterprises being made by investors representing the state. Major decisions on important problems regarding production and operations should be made by meetings of staff and worker representatives. The factory director (managers) should have the full responsibility to make daily routine decisions on operations. Staff and workers can exercise their democratic rights under the principles of democratic collectivism. Once a decision is made, the factory director (managers) should carry it out.

**'Feature' Cautions on Industrial Growth Rate**

HK2511151691 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0406 GMT 21 Nov 91

["Feature" by Huang Da (7806 6671): "Why Is China's Industrial Production Out of Control"]

[Text] Beijing, 21 Nov (ZHONGGUO TONGXUN SHE)—When China's industrial growth rate hit 13 percent in the first half of the year, economists started to warn against the one-sided pursuit of output value and urged proper control over the growth rate. However, as the third quarter began, growth was still as high as 14.7 percent. The latest figures from the State Statistical Bureau show that national industrial output value in October was 14.3 percent higher than the same period last year.

Faced with increasing industrial product inventories and persistently high industrial production growth rates, some economists have cried in alarm: China's industrial production has run out of control.

According to analysis, there are three causes for this loss of control: First, the injection of a huge amount of funds has kept industrial growth high. In the two years of 1989 and 1990, industrial circulating capital was continually at record highs, especially in 1990, when new industrial circulating capital was 101.9 billion yuan, part of which will have had a delayed effect on this year's industrial production. With the new increase of 57 billion yuan of loans for industrial circulating capital in the first nine months, and calculated on the basis of recent loan increase-industrial growth elasticity ratios, this year's industrial growth will be around nine percentage points.

Second, huge debt defaults helped to maintain the industrial growth rate. According to a nationwide survey by the Industrial and Commercial Bank of China on some 40,000 firms, in 1989 and 1990, capital involved in enterprise commodities and loans due and advanced, already showing increases of 49 and 63.8 billion yuan respectively, saw increases of 34.8 billion yuan in the first eight months. Huge bank loans and other serious debt defaults among firms together comprised a strange phenomenon in China's economy. Greed for the impractical fame of high production has resulted in a waste of capital and resources.

Moreover, the excessive growth of processing industries is another main reason for the high growth rate. The rebound of production to a high growth rate at the start of the fourth quarter last year was spearheaded by a recovery in processing industries. The aggregate growth rate of processing industries nationwide from the start of this year to the present is 17.9 percent, four percentage points higher than general industry and responsible for its 2.5 percentage points of growth. The rapid growth of processing industries has enlarged its proportion of the total increase in output value from 47.9 percent to 52

percent compared to the same period last year, pulling up the average industrial growth rate by 7.2 percentage points.

For this reason, economists have pointed out that the current urgent task in slowing industrial production is to halt the growth of processing industries. Control can be achieved over some areas and industries in deep trouble with overproduction by deducting next year's production raw materials and by product planning targets. As for the massive production of electro-mechanical products and the consumer goods backlog, there must be an effective means to gradually absorb and hold them down. At the same time, we must overcome the blind pursuit of output value and speed and work hard on restructuring.

**Official Reports Commodity Prices Stable**

OW2911103191 Beijing Central People's Radio  
Network in Mandarin 1030 GMT 28 Nov 91

[From the "National Hookup" program]

[Text] (Zhou Xiangqun), spokesman of the State Administration of Commodity Prices, told reporters in Beijing today that the general level of prices in our country has been stable this year. From January to October, the retail prices of commodities rose by 2.7 percent as compared with the same period last year. It is estimated that the rate of increase of commodity prices will be markedly lower than the original target of keeping the increase to a ceiling of 6 percent. This year will have one of the lowest inflation rates since the beginning of the reform and opening to the outside world.

(Zhou Xiangqun) said: The state has gradually reduced direct intervention in commodity prices in the wake of deepening of reform of commodity prices, while the role of market adjustment is strengthening. Taking agricultural products as an example, the state currently only set prices for 25 percent of those products. The prices of more than 50 percent of agricultural products are determined by the market. According to a survey of markets in 35 large- and medium-sized cities, the prices of vegetables have only increased by 1 percent over last year; the prices of aquatic products are about the same as last year; and the prices of meat, poultry and eggs are cheaper this year. The prices of some industrial consumer goods have increased, while the prices of some other industrial consumer goods have decreased. The market prices of non-planned [ji hua wai] products have been stable.

(Zhou Xiangqun) held that the stability of commodity prices this year reflected a favorable trend of the entire economic situation in our country.

(Zhou Xiangqun) said: While maintaining stability in commodity prices, our country has made new progress in the reform of the price system. The adjustment of prices for four major categories of products—namely crude oil, steel products, railway freight transportation and grain

and edible oil—has been implemented smoothly. This has played a positive role in promoting enterprises' structural change, reducing the financial burden of the state, developing production, accelerating circulation, and guiding consumption.

Touching on the general trend of commodity prices in the next year, (Zhou Xiangqun) said: The prices of some commodities will be readjusted following a year of natural disasters. The annual rate of increase of commodity prices will still be kept within 6 percent. In adjusting prices, stress will be laid on energy sources, transportation and agricultural products.

#### Trade Official Sees Record Foreign Investment

OW2811131591 Beijing XINHUA in English  
1124 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—Over 10,000 enterprises with foreign investment will be established in China this year, scoring a record high in the field since the country adopted reform and opening policies in 1979, a senior official from the Ministry of Foreign Economic Relations and Trade (MOFERT) said here today.

The contracted volume of the investment will "almost certainly" exceed 10 billion U.S. dollars, said Tong Yizhong, deputy director of MOFERT's Foreign Investment Administration Department.

On average, he said, about 1,000 foreign-invested enterprises were set up each month this year. By the end of October, China approved 9,834 enterprises of such kind with a contracted volume totaling 8.53 billion U.S. dollars.

Unlike last year, this year's foreign investment went primarily to establishing joint ventures, according to Tong.

Last year, many investors preferred to set up entirely foreign-owned enterprises and the number was for the first time higher than that of joint ventures.

He said investments by Americans and Japanese have been picking up "remarkably".

Statistics show that, in the first nine months this year, the number of U.S.-invested projects reached 410, up 14.8 percent over last year's total, and that of Japan-funded projects was 386, 45 more than the entire number last year.

More encouraging, he went on, is that some transnational corporations became enthusiastic about putting money in China, not only for joint ventures, but also for entirely foreign-owned investment companies. "They plan to establish chain enterprises through such companies so as to develop their business in a coordinated and extensive way," he said.

Another reason for this year's increase of foreign investment lies in the fact that a number of joint ventures re-invested after earning profits. Examples of them were the Canon Company in Dalian and the Volkswagen Motor Company in Shanghai.

Yet, Tong said, it is still necessary to improve the country's environment for foreign investment. An important effort to this end is that all the departments and local governments concerned must strictly observe the laws and regulations promulgated by the state.

#### Government Expects Exports To Exceed \$55 Billion

HK2711133691 Hong Kong ZHONGGUO TONGXUN  
SHE in English 1236 GMT 27 Nov 91

[Text] Beijing, November 27 (HKCNA)—It is expected that the mainland's export value this year will amount to \$55.57 billion, 16.4 percent up from last year, while import and export trade will continue to grow, according to a projection by the state Information Centre.

The total export value of the eastern region is expected to be \$44.79 billion, a rise of 15.9 percent, while the central region will register a gain of 16.6 percent and the western region, 22.9 percent. Rapid growth in production at home this year provided rich sources of supply for exports.

It is expected that the gross import value of foreign trade this year will be 25.4 percent greater than last year with a big gain in imports seen in the central-southern region which was closely linked to quick growth in industrial production there this year, along with vast demands for machinery equipment and raw and processed materials.

The center believes that a new operations mechanism on foreign trade has relieved the financial burden and greatly reduced the phenomena whereby enterprises responsible for foreign trade competed with one another for purchases at unreasonably high prices, resulting in the sound development of the mainland's import and export trade this year and further facilitating the development of the national economy as a whole.

#### State Council Promulgates State Assets Measures

OW2711010691 Beijing XINHUA Domestic Service  
in Chinese 1324 GMT 26 Nov 91

[By reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 26 November (XINHUA)—The "Measures for Managing the Assessment of State Assets" promulgated by the State Council are the state's first administrative regulations for assessing and managing state assets.

These measures provide that the values of state assets have to be assessed when they are to be auctioned and transferred; when state enterprises are to be merged, sold, operated jointly, operated with stockholders'



investment, operated with foreign investment, or liquidated; and when state assets are mortgaged, used as collateral, or leased. The "Measures" clearly specify scope, principles, organizational control, procedures, and methods, as well as relevant legal responsibilities, of assessing state assets, thus providing the necessary standards and policies upon which assessment of state assets can be based.

According to Tang Bingwu, director of the State Assets Administration, incomplete statistics from 31 provinces, autonomous regions, municipalities directly under the central government, and cities authorized to draw up independent economic plans show that authorities in charge of management of state assets will assess 2,341 projects, which have a net book value of 15.38 billion yuan, and that the value will be appreciated to 25.03 billion yuan after the assessment, averaging an appreciation value of 62.7 percent. This shows that assessment of state assets is highly important in economic conduct involving transfer of state property. The State Assets Administration has made all the necessary preparations for implementing the "Measures." It is hoped that governments at all levels will properly assess their state assets so that their economic efficiency can be increased.

#### Li Peng Signs Order

OW261123091 Beijing XINHUA Domestic Service  
in Chinese 0847 GMT 26 Nov 91

[Text] Beijing, 26 Nov (XINHUA)—Order of the State Council of the People's Republic of China (No. 91)

The "Measures for Managing the Assessment of State Assets" are now promulgated, and they shall be implemented upon promulgation.

[Signed] Premier Li Peng

[Dated] November 16 1991

#### Further on Measures

OW271120091 Beijing XINHUA Domestic Service  
in Chinese 1146 GMT 26 Nov 91

[Text] Beijing, 26 Nov (XINHUA)—Measures for Managing the Assessment of State Assets:

##### Chapter One. General Principles

Article 1. These measures are drawn up for correctly assessing the values of state assets and protecting the legitimate rights of the owners, operators, and users of state assets.

Article 2. These measures are applicable for assessing state assets, with the exception of assets for which separate laws and regulations have been prescribed.

Article 3. Units holding state assets (simplified as asset holders below) shall have the values of their assets assessed when:

(1) their assets are to be auctioned or transferred;

(2) enterprises are to be merged, sold, operated jointly, or operated with stockholders' investment;

(3) Sino-foreign joint ventures or cooperative enterprises are to be set up with foreign companies, enterprises, or other economic organizations or individuals;

(4) an enterprise is to be liquidated; or

(5) values of assets have to be assessed according to relevant state regulations.

Article 4. The values of assets shall be assessed when asset holders are in one of the following situations, and when the parties concerned consider an assessment essential:

(1) assets are to be mortgaged or used as collateral;

(2) assets are to be leased by enterprises; and

(3) whenever an assessment of the values of assets is warranted.

Article 5. The State Council shall decide on the necessity of assessing the values of national assets, or assets of special professions and trades.

Article 6. Assessment of state assets is applicable to fixed assets, liquid assets, intangible assets, and other assets.

Article 7. The values of state assets shall be assessed truthfully, scientifically, and practically in accordance with the standards, procedures, and methods prescribed by the state.

##### Chapter Two. Organizational Control

Article 8. Administrative authorities in charge of state asset management are responsible for managing and supervising assessment of state assets, and assessment shall be conducted on the basis of the authority over the management of state assets.

Competent authorities of various trades and professions are responsible for organizing assessment of state assets in accordance with asset holders' affiliations.

Administrative authorities in charge of the management of state assets and competent authorities of various trades and professions shall not be directly involved in the assessment of state assets.

Article 9. Asset assessment companies, accounting offices, auditing offices, and financial consultative companies certified by the State Council, or by relevant authorities of people's governments of provinces, autonomous regions, and municipalities directly under the central government; and interim organs authorized by the relevant authorities of people's governments of provinces, autonomous regions, and municipalities directly under the central government (referred to as asset assessment organs below) may engage in assessing state assets at asset holders' request.

State Council authorities in charge of the management of state assets shall draw up measures for managing the aforementioned asset assessment organs.

Article 10. Asset holders shall provide factual information about their state assets when they request asset assessment organs to assess their assets; and asset assessment organs shall keep the relevant information confidential.

Article 11. Asset assessment organs may collect fees for their services, and collection measures shall be drawn up by the State Council authorities in charge of management of state assets together with financial and price authorities.

#### Chapter Three. Assessment Procedures

Article 12. Assessment of state assets shall proceed according to the following procedures:

- (1) submitting a request;
- (2) preparing a manifest of assets;
- (3) estimating the values of assets; and
- (4) certifying and confirming their values.

Article 13. An asset holder requiring an assessment of its assets according to articles 3 and 4 of these measures shall, after having had its case reviewed and approved by its competent authorities, submit a request to corresponding administrative authorities in charge of state assets to have the values of its assets estimated, and a list of assets and relevant accounting information shall also be furnished along with the request.

After being authorized or commissioned by administrative authorities in charge of state assets, the competent authorities of the asset holder may examine and approve the assessment request.

Article 14. The administrative authorities in charge of state assets shall, within 10 days after receiving the request, examine it, make a decision whether it is approved, and notify the applicant and its competent authorities.

Article 15. Requests submitted by national and special trades and professions to have their state assets assessed shall be considered approved when the State Council decides that an assessment be made.

Article 16. When an assessment applicant is notified that its request has been approved, it may request an asset assessment organ to assess its assets.

Article 17. At the asset holder's request, the asset assessment organ shall, on the basis of checking all its assets, financial claims, and debts, verify whether the book values of its assets and operating achievements are factual, and make an assessment on that basis.

Article 18. An asset assessment organ commissioned by an asset holder shall assess the values of its assets in accordance with these measures and submit to its designer an assessment report.

Upon receiving the report, the asset holder shall refer it to its competent authorities for examination; and if they concur with the assessment, they shall refer it to the corresponding administrative authorities in charge of state assets management for confirmation.

Authorized or commissioned by the administrative authorities in charge of state assets, the competent authorities of the asset holder may confirm the assessment results.

Article 19. Within 45 days after receiving the assessment report submitted by the asset holder, the administrative authorities in charge of state assets shall organize examination, verification, consultations, and confirmation of the assessment results and issue a written confirmation.

Article 20. If the asset holder disagrees with the written confirmation, it may, within 15 days after being notified, request the higher administrative authorities in charge of state assets for a reexamination; and they shall, within 30 days after receiving the reexamination request, make a ruling and issue a written notice about the ruling.

Article 21. After being notified of the confirmation or the ruling, the asset holder shall handle its assets in accordance with relevant fiscal and accounting rules and regulations of the state.

#### Chapter Four. Methods of Assessment

Article 22. The values of state assets shall be assessed according to their original values, net values, conditions, the costs of new purchases, and their profit-making capacity; and according to the assessment methods prescribed in these measures.

Article 23. Assessment of state assets may be based on:

- (1) the amounts of incomes they are producing;
- (2) the costs of new purchases;
- (3) their current market values;
- (4) their liquidation values; and
- (5) other assessment methods prescribed by the State Council's administrative authorities in charge of state assets.

Article 24. When assets are assessed by the amounts of incomes they are producing, their current values shall be calculated on the basis of their rational profit-making capacity and depreciation rates, and their new values shall be determined on this basis.

Article 25. When assets are assessed by the costs of new purchases, their values shall be calculated by deducting

aggregate depreciations of their expected length of service from the costs of new purchases, giving consideration also to the assets' functional changes and their conditions. Their values may also be assessed on the basis of the assets' length of service, their functional changes, and their conditions.

Article 26. Assessment of assets' values on the basis of their current market values shall be made by comparing the market prices of identical or similar assets.

Article 27. Assessing the new values of assets by their liquidation values shall be made on the basis of the cash values an enterprise can realize when liquidating those assets.

Article 28. While estimating the values of liquid assets—such as raw and semifinished materials, finished goods, the number of cooperative projects, inventory, and energy-inefficient equipment of little value—the values shall be assessed on the basis of their current market values, anticipated values, purchasing costs, how complete they are, and the extent of damage or usage.

Article 29. Assessment of the values of negotiable securities shall be based on their market values; when market values are not available, it shall be based on factors like their face values and anticipated dividends.

Article 30. Asset holders' intangible assets shall have their values assessed differently according to the following:

- (1) for intangible assets purchased from abroad, their values shall be assessed according to their purchasing costs and their profit-making capacity;
- (2) for home-made or self-owned intangible assets, their values shall be assessed according to the actual costs and their profit-making capacity; and
- (3) For home-made or self-owned intangible assets whose costs have not been estimated independently, their values shall be assessed according to their profit-making capacity.

#### Chapter Five. Legal Responsibilities

Article 31. In case an asset holder violates the regulations in these measures and provides false information, or practices fraud in collusion with asset assessment organs, thus invalidating the assessment results, administrative authorities in charge of state assets may nullify the assessment results and may, in accordance with the seriousness of the case, impose the following penalties individually or collectively:

- (1) publicizing its name;
- (2) setting for it a deadline to make corrections, and imposing on it a fine up to the assessment cost; and

(3) requesting relevant authorities to discipline the responsible personnel and those who are directly in charge, and imposing on them a fine equal to three months of basic wages.

Article 32. In case an asset assessment organ practices fraud or neglects its duties, thus invalidating the assessment results, the administrative authorities in charge of state assets may nullify the assessment and, in accordance with the seriousness of the case, impose on the asset assessment organ the following penalties:

- (1) serving it a warning;
- (2) suspending its operation for improvement; and
- (3) revoking its operating permit.

Article 33. If the penalized units or individuals disagree with the penalty meted out to them in accordance with articles 31 and 32 of these measures, they may, within 15 days upon being notified of the penalty, request the higher administrative authorities in charge of state assets for a reexamination. The higher administrative authorities in charge of state assets shall, within 60 days after receiving the reexamination request, make a decision on the reexamination. And if the applicant still disagrees with the reexamination, he may, within 15 days after being notified of the reexamination, bring the case to the people's court.

Article 34. In case the personnel of administrative authorities in charge of state assets or the competent authorities of various professions and trades violate these measures and use their authority to seek personal gains, or in case they neglect their duties and cause losses to the state, the administrative authorities in charge of state assets or the competent authorities of respective trades may discipline them, or impose on them a fine of up to three months of their basic pay, in accordance with the rules for supervising cadres.

Whoever violates these measures and uses his authority to seek personal gains shall have his illegal income confiscated by disciplinary authorities according to law.

Article 35. If these measures have been seriously violated to the extent of a commission of a crime, the criminal responsibilities of the relevant parties shall be investigated by judicial authorities.

#### Chapter Six. Supplementary Articles

Article 36. These measures are not applicable to state assets not in the country.

Article 37. The State Council shall draw up separate regulations for calculating the fees for using and mining natural resources.



Article 38. State Council authorities in charge of state assets shall be responsible for interpreting these measures. The detailed rules for implementing these measures shall be drawn up by the State Council authorities in charge of state assets.

Article 39. These measures become effective upon promulgation.

#### Official Cited on State Property

OW2711151491 Beijing XINHUA in English  
1404 GMT 27 NOV 91

[Text] Beijing, November 27 (XINHUA)—A senior Chinese official said here today that state-owned enterprises should undergo an assessment of fixed assets before they are merged, leased or form cooperative ventures with foreign investors.

Tang Bingwu, director of the State Administration of State Property, said assessments will be conducted in accordance with State Council regulations related to the assessment and management of the state fixed assets.

The regulations, the first issued by the central government regarding the assessment of fixed assets belonging to the state, will also apply to enterprises involved in auctions, management transitions, issuing shares and clearing accounts, according to Tang.

The policies of reform and opening to the outside world have introduced diversified management systems to China's state-owned enterprises. Such firms are now being merged, contracted, leased or put under coordinated management, while at the same time the number of joint ventures is on the increase.

These changes have resulted in a redistribution of property rights and of owners and management, said Tang.

He noted that in many cases fluctuations in prices and the book value of fixed assets are far less than the actual value.

In instances involving the transfer of assets, the book value does not always reflect the actual value and economic losses will occur in some cases, especially in regards to Chinese companies managed under a joint venture or share holding arrangement, said Tang.

At present, China's state-owned businesses and government institutions have fixed assets valued at over 1,700 billion yuan (about 340 billion U.S. dollars).

#### Article Previews 8th 5-Year Plan Labor Policy

HK2211120991 Beijing RENMIN RIBAO in Chinese  
6 Nov 91 p 5

[Article by Li Peiyao (2621 3099 3852): "Goals and Countermeasures of Labor Employment During Eighth Five-Year Plan"]

[Text] During the Eighth Five-Year Plan, the work of arranging employment in our country will be conducted against the general background of gross supply of labor force exceeding gross demand of labor force, so some deep-rooted problems in the employment arrangement work will gain prominence. First, surplus labor force will appear in both cities and the countryside. In cities, there will exist a large number of jobless people [dai ye ren yuan 1769 2814 0086 0765] as well as the phenomenon of invisible joblessness [yin xing dai ye 7148 1840 1769 2814] in the enterprises. In the countryside, the surplus labor force will continue to increase. Second, the unevenness of employment will be aggravated. The employment pressure in large and medium-sized cities and coastal areas will gradually abate, but the joblessness rate [dai ye lu 1769 2814 3764] in county towns, remote areas, mineral and forest areas, interior areas for war industry [jun gong san xian 6511 1562 0005 4848], and areas along railway lines will still remain at a high level, thus forming an increasingly unstable factor. Third, the problem of structural joblessness will become more prominent. It will be harder to find workers for some dirty and strenuous jobs. So, not only will it be difficult for some people to get jobs, but it will also be difficult to recruit workers for some jobs. Fourth, the increasing job changes and employment mobility will also add to the number of jobless workers. In particular, as the economic work as a whole will be focused on the enhancement of economic efficiency, there will be higher requirements for the labor employment work. The labor employment work not only should play a role in promoting economic development through the proper development and use of the labor resources, but should also be closely combined with the reform of the labor system, thus forming a benign external condition for the enhancement of the enterprise economic efficiency. According to this general requirement, the overall guideline for the development and reform of the labor employment work include the following points:

#### First, formulating a labor employment development strategy for the full development and reasonable use of the labor resources

Last year, the central leader comrades pointed out: The labor force has a dual nature. On the one hand, laborers need to earn a livelihood by getting jobs; on the other hand, the labor force can also create jobs in the course of creating new social wealth. Therefore, it is necessary to take the full development and use of the labor resources as a strategic issue. The rich labor resources, which constitutes an advantage in our economy, should be fully tapped in various effective ways. Labor resources can make up for the insufficiency of funds and material resources in per capita terms, and can play a major role in promoting the development of productive forces. The previous practice of passively arranging jobs under the population pressure should be replaced with positive measure for fully and properly tapping labor resources.

**Second, achieving the three objectives of stabilizing the employment situation, promoting employment development, and furthering the reform of the employment system**

Stabilizing the employment situation is a basic task for the department in charge of labor and employment affairs during the Eighth Five-Year Plan. It is necessary to adopt effective measure for controlling the joblessness rate under 3.5 percent; special attention should be paid to dealing with certain knots in the arrangement of employment and preventing the aggravation of job shortage in some localities; and every possible means should be taken to assign new jobs to workers in enterprises where production is suspended in order to reduce the social problems that may arise.

Promoting employment development will be a major guarantee for the fulfillment of the socioeconomic development objectives during the Eighth Five-Year Plan. It is necessary to more thoroughly implement the three-point guideline for developing employment, namely, diversifying forms of employment, smoothing out employment channels, and expanding employment size. In cities, we will ensure the employment of 32 million people; in the countryside, we will properly arrange the shift of some surplus rural labor force to various non-farming industries and trades. At the same time, it is necessary to enhance the economic efficiency of employment, thus promoting economic development. Vocational training should be increased and intensified so a qualified and competent labor force can be provided for enterprises and the optimization of production factors can be effected. People should be encouraged to create new jobs on their own and increase labor accumulation so the use of surplus labor force can be combined with production development.

Furthering reform of the employment system is an inevitable step toward the establishment of new employment mechanisms. In cities, the previous situation in which the government is responsible for assigning all jobs to all workers should be gradually replaced with a new employment model which allows enterprises to select good workers and allows people to compete for good jobs under the state's planned guidance and coordination. Thus, the supply and demand of the labor force will be regulated by the market mechanisms, and labor services will be acquired from society under the new employment system. Rural employment should also follow the principle of being subject to the state's coordination and guidance, acquiring services from society, allowing collectives to arrange employment, and allowing individuals to create jobs on their own. This will give rise to the initial form of the new pattern for developing employment and using the labor force in the countryside. Employment administration should be gradually reduce the use of administrative means and increase the use of service means so that a new labor employment service system with Chinese characteristics can be established and perfected.

**Third, formulating measures for achieving the labor employment goal in the Eighth Five-Year Plan**

1. Making efforts to explore the way to better arrange labor employment. According to our experience in arranging employment over the past 12 years, this should include the following main points: In the aspect of the industrial structure, stress should be laid on developing the tertiary industry and the labor-intensive industries, and more consideration should be given to the utilization and reasonable distribution of human resources in the work of arranging the distribution of human, material, financial resources. In the aspect of the ownership structure, while the dominating position of public ownership is maintained, the development of the collective economy should also be stressed, and the individual and private economies should also be developed to an appropriate degree so their positive role in invigorating the economy and increasing jobs can be brought into full play. In the aspect of the enterprise structure, while high-quality labor force should continue to be provided for large and medium-sized enterprises, stress should be laid on developing small enterprises for the purpose of the increasing employment capacity, and their advantages of having a low organic composition [you ji gou cheng 2589 2623 2845 2052] and being able to absorb more of the labor force should be brought into full play.

2. Gradually forming a planning and coordinating system for employment arrangements. In the next five years, five-sixths of the labor force that we need to arrange employment for will exist in the countryside. Therefore, we should adopt a work guideline for coordinating the development of employment in cities and in the countryside, gradually establish some normal channels for the reasonable movement of urban and rural labor force, and adapt the size and speed of labor force movement to the conditions of production development and the social ability to withstand such movements in cities and the countryside.

Because there are different social and economic conditions in various localities, stress should also be laid on different points in the work of arranging employment. As coastal areas and large cities are facing comparatively less employment pressure, they can lay stress on enhancing employment quality and promoting the reform of the labor and employment system, thus creating better conditions for enhancing the economic efficiency of the large and medium-sized enterprises. Interior and remote areas, however, are facing heavier employment pressure, and they should focus their efforts on stabilizing the employment situation and settling the knots in work of arranging employment. It is necessary to more effectively guide and coordinate the annual waves of "labor migration" and to prevent the aimless and disorderly movements of labor force between various regions. A normal order should be established for the reasonable movement of labor force.

Overseas jobs constitute the extension of domestic employment, and also represent an effective way to give

play to our nation's advantage of possessing rich labor resources. It is necessary to coordinate the arrangement of overseas jobs and the arrangement of domestic employment.

3. Continuously perfecting the labor market mechanisms under the guidance of plans. In the past years, the initial form of the labor market in our country has taken shape. It will be further improved during the Eighth Five-Year Plan. At present, the labor market mainly provides two mechanisms, one for job-seeking competition and the other for protecting those who temporarily lose jobs. The two complement and promote each other.

The job-seeking competition mechanism is an important objective of the labor system reform. It is necessary to introduce the labor contract system for the employment of all workers through furthering the reform of the employment system so that the previous unified job assignment system can be more thoroughly changed. Thus, enterprises can hire better workers through competition, and workers can seek better jobs through competition as well. Both suppliers and demanders of labor force can make selections.

The job-losing protection mechanism is also an important thing needed by the economic structural reform and the in-depth labor system reform. After the enterprise management system is changed and the labor contract system is adopted for the employment of all workers, a job-losing protection system must be established. Joblessness [dai ye 1769 2814] insurance forms the foundation for the job-losing protection mechanism. According to the needs in the labor system reform, it is necessary to expand the scope of joblessness insurance, now available merely to some workers in state-owned enterprises, to all workers who may lose their jobs unwillingly. Conditions should be created for the universal adoption of joblessness insurance for all workers employed by all kinds of urban and rural enterprises and institutions.

4. Establishing and perfecting the employment service system. Arranging employment is a long-term and arduous task. Periodic peaks of employment pressure may arise. Therefore, employment service will provide

the most effective means for ensuring the sustained, stable, and harmonious development of the work of arranging employment. Some profound problems that may be brought about by the reform of the labor system reform must also be solved through the conditions and channels created by employment service. Therefore, the employment service institutions and the service means should be further improved. The service quality should be raised, and the service scope should be expanded. The comprehensive service system will include employment agencies, vocational training, joblessness insurance, and support for self-employed people. Various links will be closely linked to each other, thus providing guarantees for the reform and development of the work of arranging employment.

#### **Daily on Sichuan's New Record High Grain Output**

HK2911004091 Beijing RENMIN RIBAO in Chinese  
21 Nov 91 p 1

[By XINHUA reporter Xiong Xiaoli (3574 1420 4539) and staff reporter Luo Maocheng (5012 5399 1004): "Sichuan's Grain Output Tops Last Year's by 800 Million Kg"]

[Text] Chengdu, 20 Nov (RENMIN RIBAO)—This year, Sichuan Province conquered natural disasters and wrested an all-around bumper agricultural harvest. The total grain output registers 43.487 billion kg, overtaking 1990, when the last record high was set, by 824 million kg. Major cash crops, including cotton, oil crops, sugar cane, tobacco, fruits, and tea, all enjoyed an increase in output. The production in the diversified economy with animal husbandry as the pillar saw steady growth. According to an estimate, the number of pigs used and to be used throughout the year will amount to 64 million, up 48 percent over last year. Township and town enterprises achieved synchronous growth of output value and economic returns. From January to October, the actualized total output value of the township and town enterprises in the entire province reached 52.495 billion yuan, the profit made being 1.93 billion yuan and the sales tax delivered being 1.384 billion yuan, up 24.9, 32.6 and 29.9 percent respectively over the same period last year.



## East Region

### Deputies Briefed on Shandong Economic Situation

SK2811033391 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 26 Nov 91

[Summary] Deputies to the National People's Congress and the provincial people's congress, who are planning to make inspection tours throughout the province prior to the congress session, attended the briefing given by the provincial people's government at the Nanjiao Guesthouse in Jinan on the morning of 26 November.

Delivering work reports during the briefing were (Li Wanzhu), vice chairman of the provincial Planning Commission; Huang Kehua, director of the provincial Financial Department; (Ren Gaoyuan), deputy director of the provincial Judicial Department; (Zhang Huaifu), vice chairman of the provincial Economic Commission; and (Dong Gaohe), vice chairman of the provincial Agriculture Commission.

Their work reports reveal that the province's gross national product and national income this year are expected to show more than an 8 percent increase over 1990. During the January-October period this year, the province's revenues reached 10.39 billion yuan, accounting for 81.75 percent of the budget and a 6.51 percent increase over the same period in 1990. The province's spending reached 8.832 billion yuan, accounting for 69.98 percent of the budget, an 8.47 percent increase over the same period in 1990. There are 13 cities and prefectures and 120 counties, county-level cities, and districts throughout the province which have conducted their management work in line with the law and account for 89 percent in the total number of cities, prefectures, counties, county-level cities, and districts. The number of townships, towns, and neighborhoods that have conducted their management work in line with the law has reached more than 2,000. By the end of this October, the accumulated incomes earned from sales by the state-run industrial enterprises covered by the budget reached 38.32 billion yuan, a 16.87 percent increase over the same period of 1990. They realized 3.836 billion yuan of profits and taxes, which showed a 10.08 percent increase over the same period of 1990. The province has realized the targets of reaping a bumper agricultural harvest in the year, a bumper harvest in all agricultural sectors, and a bumper harvest in all localities throughout the province.

### Shandong Outlines Priorities for Five-Year Plan

OW2711194491 Beijing XINHUA in English  
1517 GMT 27 Nov 91

[Text] Qingdao, November 27 (XINHUA)—Eastern China's Shandong Province recently listed its priorities for foreign economic and technological cooperation during the Eighth Five-Year Plan period (1991-95).

Speaking at an international symposium on financial cooperation which opened here today, Wang Chuntao, deputy director of the Foreign Economic Relations and Trade Committee of Shandong Province, encouraged foreign investors to give priority to forming cooperative ventures in certain areas.

According to Wang, foreign investors should concentrate on the development of agricultural resources, and the processing of agricultural and sideline products, as well as the light and textile, energy, chemical, metallurgical and building materials industries.

Wang said that Shandong, one of China's major agricultural provinces, has abundant resources which have not as yet been developed. He pointed out that the processing of many agricultural and aquatic products and domestic animals can be developed.

Wang said the provincial government plans to open a large number of production bases, and export-oriented processing bases for agricultural and sideline products.

He said that during the Eighth Five-Year Plan period Shandong will introduce more foreign technology and attract additional funds in order to develop its light and textile industries. He added the province will seek more foreign cooperation in these areas.

Shandong will construct a number of large coal mines and associated coal transportation and storage facilities, while at the same time developing its power industry.

Speaking of the chemical industry, Wang said that Shandong will be developed into one of China's major chemical industry bases. The province also plans to establish a number of Sino-foreign joint ventures related to petrochemicals, said Wang.

### Cadres To Conduct Rural Ideological Education

SK2611061991 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 25 Nov 91

[Text] On the afternoon of 25 November at Jinan's Nanjiao Guesthouse, a meeting was held to mobilize cadres of organs directly under the provincial authorities and teachers of institutions of higher learning to participate in rural socialist ideological education.

The provincial party committee has decided to transfer 1,000 cadres from among organs directly under the provincial authorities and from teachers of institutions of higher learning to participate in rural socialist ideological education.

In this winter-spring period, the basic tasks for rural socialist ideological education are: 1) Conduct education on patriotism, collectivism, and socialism; 2) implement the party's principles and policies towards rural areas; and 3) actually strengthen the building of village-level organizations with party branches as the nucleus.

The specific demands on rural socialist ideological education are: 1) Obviously strengthen the confidence in socialism among cadres and the masses; 2) strengthen party branches and other organizations at the village level; 3) basically perfect the contracting of all trades and the management system of collectives; 4) provide services urgently demanded by peasants and which can be provided; 5) solve the problems strongly reflected by the masses; 6) draw up feasible plans for economic development; and 7) effect a marked improvement in social security.

In the whole process of rural socialist ideological education, the endeavor to solve practical problems should be combined with ideological education. During educational activities, efforts should be made to solve the hot and difficult issues of common concern to the masses. Ideological education should be conducted in the course of solving practical problems. Ideological education should be carried out in the whole process of rural socialist ideological education.

The content of rural socialist ideological education constitutes education on the current situation and tasks, education on reaching the better-off level in living standards, and education on democracy and the legal system as well as on morality and customs.

Current rural socialist ideological education is focused on village-level organizations, including township and town organizations, organs subordinate to townships and towns, and organs of pertinent county and city departments set up in townships and towns.

Speaking at the meeting were Miao Fenglin, Standing Committee member of the provincial party committee and director of the Propaganda Department under the provincial party committee, and Tan Fude, Standing Committee member of the provincial party committee and director of the Organizational Department under the provincial party committee. Wang Jiangong, vice governor of the province, presided over the meeting.

After undergoing short-term training, the provincial rural socialist ideological education team will leave for rural areas shortly.

### County Stresses Advanced Farming Techniques

OW2911094991 Beijing XINHUA in English  
0819 GMT 29 Nov 91

[Text] Jinan, November 29 (XINHUA)—The government of Laiyang County in east China's Shandong Province has taken measures to encourage officials in rural areas to study and apply advanced farming techniques.

Most of the 3,000 rural officials in the county have mastered one or two fine practical farming techniques. Last year, the city popularized 12 items of new farming techniques which brought about economic results worth more than 200 million yuan.

Of the 3,000 rural officials, more than 300 have received correspondence education from the Central Agricultural Broadcasting School, 250 received training in colleges and research institutes, and more than 100 invited professors and experts to give lessons at their houses.

The rest of them have attended science and technology schools or night schools sponsored by the county or townships.

### Southwest Region

#### Liu Zhengwei Attends Science Awards Ceremony

HK2611140091 Guiyang Guizhou People's Radio  
Network in Mandarin 2300 GMT 22 Nov 91

[Excerpts] The provincial meeting for summing up the experience in scientific and technological endeavors in the Seventh Five-Year Plan and mobilizing efforts for the Eighth Five-Year Plan was solemnly held in Guiyang yesterday [22 November]. Provincial party and government leaders; namely, Liu Zhengwei, Long Zhiyi, Yuan Ronggui, (He Renzhong), Luo Dengyi, Li Jifeng, Gong Xianrong, (Wang Fuqing), and (Wang Qingyuan), attended the meeting. At this meeting, 23 advanced collectives, including the provincial Committee of Science and Technology, and 38 advanced individuals, including (Chen Dezhong) received awards. [passage omitted]

The meeting discussed the outline of the scientific and technological development program during the Eighth Five-Year Plan and made specific arrangements for organizing scientists and technicians to participate in the program.

#### Views 'Four Relaxation' Policy

HK2811012091 Guiyang Guizhou People's Radio  
Network in Mandarin 2300 GMT 24 Nov 91

[Excerpts] The provincial work forum on bettering state-owned and cooperative commercial enterprises, which ended yesterday [24 November], pointed out: The experimental implementation of the four relaxation policy [relaxing management, pricing, distribution, and employment] among the state-owned and cooperative commercial enterprises in Guizhou should be accelerated and the scope expanded. Anshun Prefecture, Guiyang, Liupanshui, and Zunyi, designated by the provincial government as the trial areas, should choose the enterprises to experiment on and start implementation as early as possible. Other prefectures and autonomous prefectures can also choose the enterprises for the experiment on their own accord. [passage omitted]

In order to sum up the experience in the experiment up to this point and make arrangements for the experimental work in the next step, the provincial group coordinating and guiding the deepening of circulation restructuring convened this four-day forum in Guiyang.

Liu Zhengwei, provincial party secretary, and Vice Governor Zhang Shukui gave speeches at the forum.

They pointed out: The experiment on the four relaxations among state-owned and cooperative commercial enterprises is a breakthrough in the process of deepening the reform of the commerce system. Party committees and governments at various levels must further free their mind, reinforce their awareness of the importance of reform, and actively support the four relaxations of state-owned and cooperative commercial enterprises. It is necessary to substantially strengthen leadership over the work in commercial fields and bring the reform of commerce system to a new stage by controlling the big end, wholesale, and the important means of production and livelihood that concern international reputation; and be flexible toward the small end, retail, and less important commodities. All relevant comprehensive departments must do a good job in matching services and create a relaxed external environment so as to carry out the experiment on, and popularization of, the four relaxations among our state-owned and cooperative commercial enterprises in a down-to-earth manner and promote our economic restructuring and the enhancement of economic efficiency.

#### **Guizhou Flood Victims Occupy New Housing**

OW2911081791 Beijing XINHUA in English  
0719 GMT 29 Nov 91

[Text] Guiyang, November 29 (XINHUA)—No flood victims sleep in the open air in southwest China's Guizhou Province now.

More than 3,000 households whose houses collapsed during flooding in the summer of this year have moved into new houses and about 80 percent of all the damaged houses in the flood-stricken area have been repaired, according to local statistics. Victims whose homes are being repaired or rebuilt are now housed in emergency shelters, and all have winter clothes and quilts.

Yang Xushun, director of the province's Civil Affairs Department, said that all the new houses that the flood victims have moved into are permanent buildings. A family of three shares a living area of 50 sq m and each single person, 10 sq m.

The province has also allocated three million yuan to build accommodation for homeless elderly people who live alone in the flood-stricken area.

Guizhou was one of the worst-hit provinces during the summer's heavy flooding. Landslides and mud-rock flows triggered by torrential rains damaged thousands of houses.

In the past few months the reconstruction work has progressed rapidly with the [word indistinct] another repair and rebuild their houses. The government has

designated a special fund of 22.195 million yuan from donations made by people in Hong Kong and from the central government.

#### **Tibet Water, Power Projects Boost Agriculture**

OW2711043791 Beijing XINHUA in English  
0117 GMT 27 Nov 91

[Text] Lhasa, November 27 (XINHUA)—The large number of water conservancy and hydroelectric power projects completed in the Tibet Autonomous Region over the past few years have greatly enhanced the region's agriculture and animal husbandry.

The autonomous region has constructed 369 hydroelectric power stations with a total capacity of 46,450 kilowatts, and has completed 16,090 water conservancy projects, including 353 irrigation canals which irrigate 135,200 hectares.

A local government spokesman said that beginning last winter the region initiated a vigorous program to construct water conservancy facilities throughout the autonomous region.

#### **He Zhiqiang Addresses Art Festival Mobilization**

HK2611082291 Kunming Yunnan People's Radio  
Network in Mandarin 1000 GMT 22 Nov 91

[Excerpts] The provincial party committee and government jointly convened the Yunnan provincial mobilization rally to greet the Third Chinese Art Festival in Kunming's People's Victory Hall yesterday morning. [passage omitted]

Comrade He Zhiqiang, provincial party committee deputy secretary and governor, delivered at the rally a speech entitled: "Further Mobilize, Work Hard for Three Months, and Greet Art Festival With Outstanding Achievements!"

He Zhiqiang remarked: The provincial party committee and government believe that all preparatory work done in the previous period has laid a sound basis for successfully observing the forthcoming art festival. Now that there are only three months until the official start of the art festival, we do not have much time left but are still confronted with an arduous task. All levels and departments must therefore increase mobilization work, mobilize the masses in an extensive and in-depth manner, concert efforts, work hard for 90 days, and carry out all sorts of preparatory work in a down-to-earth manner in order to greet the arrival of the Third Chinese Art Festival with outstanding achievements and a new mental outlook.

He Zhiqiang put forth the following three requirements for the preparatory work in the next three months:

1. To enhance understanding of both importance and significance of observing the Third Chinese Art Festival in Yunnan; [passage omitted]



2. To further mobilize masses in an extensive and in-depth manner and enable masses to actively participate in activities sponsoring the art festival; [passage omitted]

3. To make full use of time, concentrate efforts on, make concerted efforts, and work hard for three months to successfully carry out all sorts of preparatory work by guaranteeing both their quality and standard. [passage omitted]

Governor He Zhiqiang finally stressed: As long as all our comrades take immediate action, brace up, strengthen cooperation, and work in a down-to-earth manner, we will certainly be able to make the Third Chinese Art Festival a complete success!

Representatives of the provincial Federation of Trade Unions, the provincial Communist Youth League Committee, the provincial Women's Federation, and the military troops stationed in Yunnan also delivered speeches at the rally.

Yin Jun, provincial party committee deputy secretary, presided over the rally.

Provincial and city party, government, and military leaders, including Li Guiying, Qiu Chuangjiao, Ren Keli, Wang Guangxian, Hou Tingying, Dang Xiangming, Wang Dian, Chen Shenglian, Yang Yitang, Yu Huoli, Bai Zuoguang, Li Shuji, Chen Liying, Yang Kecheng, Yang Weijun, Xie Hemin, Chen Qingyun, Zheng Yanxun, and others, attended the rally.

Also attending the rally were more than 1,000 people, including persons in charge of various provincial departments, commissions, offices, bureaus, people's organizations, and higher learning institutions, various organs directly under the Kunming authorities and the Kunming's Panlong District and Wuhua District authorities, various central-level, provincial-level, and city-level large and medium-sized enterprises and undertakings based in Kunming, various big hotels and restaurants, various provincial-level and city-level literary and art organizations and news units, and various construction units engaged in building projects related to the art festival.

### North Region

#### Beijing Tests Labor Employment Contract System

HK2711063391 Beijing CHINA DAILY in English  
27 Nov 91 p 3

[By staff reporter: "Contract System Is Tested in Beijing"]

[Text] Beijing's experiment with a new labour employment system achieved a substantial success over the weekend, with about 31,000 industrial workers bidding farewell to life employment and signing contracts with their units or enterprises.

So far, more than 71,000 staff from 80 enterprises, roughly four percent of workers in the city's State-owned and collectively-run enterprises, have signed contracts with their employers.

The pilot project, an attempt to further the reform of the labour system which began with the re-organization of the labour force among work units, was first adopted in 1988 in the city's 14 enterprises.

China's "iron rice bowl", the decades-old practice of providing urban workers with a job for life, is to be phased out and replaced with a new contract employment system by the year 2000, according to a national scheme designed by the Ministry of Labour.

The new system is designed to motivate workers, get rid of inefficient or redundant staff and increase productivity.

The expansion of contract employment in State-owned enterprises is one of the country's main tasks, together with reform of salaries, pensions, unemployment benefit and medical welfare.

Statistics from the Ministry of Labour show that at present 13.5 million workers nationwide have signed employment contracts, accounting for 14 percent of the State employees.

More than 1.58 million workers in about 20,000 foreign-funded businesses have also signed contracts.

The new system breaks the conventional mould under which a worker would stay in one enterprise until retiring at 55 or 60 years old.

Now he or she will have to renew the contract with the employer every time it expires.

A worker from the Beijing coal corporation, which is among the latest enterprises implementing the contract system, said the system had broken the "iron rice bowl" mentality of job security, which makes no difference between more labour or less.

A survey of 43 commercial business and industrial enterprises in Beijing which adopted an all-member labour contract system showed rapid increases in profits in the first half of this year. Among these, 13 enterprises that adopted the system six months ago achieved a 24 percent increase in profits during the first half of the year over the same period last year.

However, side effects and drawbacks have also appeared.

For example, some managers of State firms being contracted took the opportunity to hire their relatives.

Labour disputes concerning the contract have also increased, accounting for 49 percent of the total labour disputes over the past five years, statistics released by the Ministry of Labour showed.

### **Reselling of State-Owned Houses Investigated**

OW2911094891 Beijing XINHUA in English  
0823 GMT 29 Nov 91

[Text] Beijing, November 29 (XINHUA)—Beijing has detained 11 persons for reselling state-owned houses at a profit, according to a recent municipal meeting on fighting the illegal practices.

Today's BEIJING DAILY [BEIJING RIBAO] reported that in the past five months, the capital checked into more than 100 cases of reselling state-owned houses, which involved over 300 suites of rooms. Among these cases, six have been handed over to the capital's public security agencies for prosecution.

Zheng Yijun, vice-director of the municipal Public Utility Administration, said some law breakers, in order to gain colossal profits by reselling state-owned houses, have done severe damage to the socialist economic order and social stability.

Vice-Mayor Zhang Jianmin urged all departments in the capital to be on the alert against such illegal practices so that housing reform would go smoothly.

### **Technology Exchange Promotes Beijing Economy**

OW2811184991 Beijing XINHUA in English  
1525 GMT 28 Nov 91

[Text] Beijing, November 28 (XINHUA)—The economy of Beijing has been greatly enhanced over the past few years with the opening of more than 130 technology markets and technical development centers.

Over the past three years, over 20,000 technology contracts have been signed each year, and the contracts have exceeded two billion yuan, while the technical exchange volume has surpassed one billion yuan. Beijing ranks first amongst all large cities in the country in both areas.

Technology contracts signed during the period have encouraged the adjustment of the city's product mix, while reducing losses and increasing profits in many Beijing factories.

Prior to 1985, the Beijing Relay Factory was engaged in the production of out-of-date electromagnetic products and was facing bankruptcy. However, the factory has introduced 20 new products over the past few years which have been highly profitable and which accounted for near 50 percent of the company's total industrial output value in 1990.

Technology markets have also help to develop the capital city's rural enterprises, and, in recent years, such enterprises have cooperated with 300 scientific institutions to develop over 1,400 new products valued at over 1.1 billion yuan. The new products have produced profits of over 110 million yuan.

The formation of the technology market has also encouraged the development of numerous high technology

enterprises, and some 2,000 market oriented high technology enterprises have opened in the city.

### **Xing Chongzhi Views Peaceful Evolution Struggle**

SK2211045391 Shijiazhuang HEBEI RIBAO  
in Chinese 15 Sep 91 pp 1, 2

[Speech by Xing Chongzhi, secretary of Hebei provincial party committee, at the provincial conference of prefectural, city, and county (district) party committee secretaries: "Clearly Discern the Situation, Conduct Work in a Down-to-Earth Manner, and Build up the Iron Wall of Resisting Peaceful Evolution"; "abridged" version; date not given]

[Text] Peaceful evolution is an international political strategy adopted under the new historical condition by Western imperialist countries to overturn socialist countries. Our party is facing a serious confrontation between peaceful evolution and antipeaceful evolution, which may continue for a long time. In line with the spirit of the speech given by Comrade Jiang Zemin at the "1 July" celebration of the CPC's anniversary, I would like to cite the following views and my personal understanding with regard to opposing peaceful evolution.

#### **1. The Origin of Western Peaceful Evolution Strategy and the Strategic Ideology of Our Party in Opposing Peaceful Evolution**

During the more than 70 years since the October Revolution, Western imperialism has attempted to overturn socialist countries and to do away with socialist systems. They first used armed force to eliminate the newly born socialism. For example, following victory in the October Revolution, the 14 Western imperialist countries, including Britain, the United States, and France, jointly carried out armed intervention in Soviet Russia. During World War II, the countries of Britain, France, and the United States attempted to use Hitler to eliminate the Soviet Union. Following the founding of New China in 1949, U.S. imperialists took advantage of the war to direct its spearhead at our country, by invading Korea and pursuing the policies of isolating our country politically and initiating an economic blockade against us. However, the imperialist armed intervention and the "blockade" strategy have not hindered socialist development. Therefore, they have gradually placed their emphasis of attack on peaceful evolution. The imperialist strategy of peaceful evolution has a process of deliberation and development. In early 1946, George Kennan, charge d'affaires of the U.S. Embassy in the Soviet Union, advocated the use of "non-military measures" to promote the "peaceful liberation" of the Soviet Union. In July 1949, Dean Acheson, U.S. secretary of state, wrote a letter to President Truman, in which he suggested that efforts should be made to encourage "democratic individualism" in China to overthrow the new PRC. Dulles, who assumed the post of U.S. secretary of state in 1953, clearly pointed out the peaceful evolution strategy. Based on summarizing the failure of

the invasion of Korea, he clamored that efforts should be made to apply "spiritual and propaganda pressure" to emancipate socialist countries from the Communist Party's leadership. He also said that "emancipation does not mean a liberation war" and that a peaceful method may enable socialist countries to "incur an evolutionary change." He announced in the 1956 state policy statement that "U.S. policies are aimed at promoting the liberalization of the Soviet Union, East European countries, and China." This kind of "liberalization" is capitalist. He also said that "communism in China represents a fatal danger" and that efforts should be made to "apply peaceful methods to liberalize China." This is the so-called "lofty strategy of winning a victory peacefully." Since then, Western imperialism has inherited and developed this strategic ideology. Particularly upon entering the 1980's, they seized the opportunity provided by socialist countries' reform and opening to the outside world; contended that "the historical opportunity for which they waited a long time has come"; launched new "peaceful political attacks" against socialist countries; and entered some countries smoothly.

Judging from the peaceful evolution strategy enforced by Western imperialism, this reactionary strategy can be summarized into the following several key points: First, the peaceful evolution strategy represents "a war without smoke," launched by imperialism. It is aimed at eliminating the world's socialist systems, changing socialist countries into capitalist, and turning socialist countries into appendages. Second, peaceful evolution is mainly aimed at persuading the people of the third and fourth generations in socialist countries, and its emphasis is on persuading the higher leading personnel of the party in power.

Third, people carrying out peaceful evolution rely on the democratic socialists and the elements engaged in bourgeois liberalization of socialist countries and other pro-West, anticommunist, and antisocialist forces and support them to seize power from within. Fourth, people carrying out peaceful evolution resort to infiltration in ideology, political subversion, economic "aid," "human rights" diplomacy, and military pressure, which are their major means, and take advantage of the temporary difficulties, reform, opening up, contradictions among nationalities, and religious problems of socialist countries to create chaos and to disseminate the political and economic patterns, values, and corrupt ideas and life styles of the West in an attempt to lead socialist countries to abandon Marxism as a guide and to adopt pluralism in politics, privatization in the economy, and alienation of the state's Armed Forces from the party. Fifth, people carrying out peaceful evolution first make a breach in a few countries and then advance toward some socialist countries in a vain attempt to "succeed without a war in 1999 or later."

Our party has been vigilant against the peaceful evolution strategy of imperialist countries for a long time and put forward the strategy of opposing peaceful evolution

to counter it. As far back as in 1949, Chairman Mao, in his article "Cast Away Illusions and Prepare for Struggles," exposed the conspiracy of Acheson, Truman, and their ilk to rely on "democratic individualists" to subvert the New China and, at the second plenary session of the seventh Central Committee, reminded the entire party to be vigilant against the "attack with sugarcoated bullets" by an enemy without a gun. At a conference held in Hangzhou in November 1959, Chairman Mao printed and distributed the three speeches by Dulles. He pointed out that all the three speeches dwelt on the peaceful evolution toward socialist countries, which Dulles called "peaceful transformation." Whom did he want to peacefully transform? He wanted to transform countries like ours, carry out subverting activities, and transform us to conform to his ideas. In other word, he wanted to maintain the order of the United States and keep it unchanged and wanted to transform us and corrupt us by means of peaceful transformation. Chairman Mao also particularly pointed out that there was a social base in socialist countries for Dulles to carry out peaceful evolution. In a speech delivered on 12 January 1964, Chairman Mao once again said: "The policies on aggression and war of the U.S. imperialism also threaten the Soviet Union, China, and other socialist countries. It also attempts to promote the policy of 'peaceful evolution' and restore capitalism in socialist countries to disintegrate the socialist countries." Chairman Mao took into consideration both the struggle between socialism and imperialism in the world and the struggle between the socialist road and the capitalist road in China, holding that the danger of capitalist restoration still existed in socialist countries and that revisionism might emerge within the party, especially within the leadership. To prevent peaceful evolution, Chairman Mao put forward a series of measures, such as those for correctly handling the two different types of contradictions and for training and bringing up millions of successors to carry on the proletarian revolutionary cause. Although in his later years, Chairman Mao made unrealistic judgments on the class struggle and the situation of the party of that period, which led to the tragedy of the "Great Cultural Revolution," the strategic idea of opposing peaceful evolution and the many measures he put forward still have an important guiding significance today.

Under the new situation, Comrade Deng Xiaoping has persisted in and further developed Chairman Mao Zedong's strategic ideology of opposing peaceful evolution. The theory of building socialism with Chinese characteristics, set forth by Comrade Deng Xiaoping, the party's basic line during the initial stage of socialism, formulated in line with Deng Xiaoping's ideology, the principle of "grasping economic construction with one hand and grasping ideological and political work with the other hand," offered by Deng Xiaoping, and the tactics and ideas related to this principle have provided us with a sharp ideological weapon to oppose peaceful evolution. The CPC Central Committee, with Comrade Jiang Zemin as its nucleus, has conscientiously summarized the political storm which took place at the turn of



spring and summer in 1989 and the various lessons brought about by the radical changes in the international situation; has repeatedly sounded the alarm for the whole party to guard against peaceful evolution; and has made arrangements and adopted a series of measures to counter peaceful evolution. Party committees at all levels, principal responsible comrades in particular, should conscientiously study and research as well as apply to the practical work the strategies, tactics, ideas, principles, and methods with regard to opposing peaceful evolution, offered by Chairman Mao Zedong, Comrade Deng Xiaoping, and the CPC Central Committee, in order to make the vast numbers of party members, cadres, and the masses more conscious in opposing peaceful evolution and make due contributions to smashing the peaceful evolution scheme of imperialism.

## **2. Fully Understand the Immediate Threats Posed by Peaceful Evolution, and Enhance the Urgency of Struggle**

Western imperialism's strategy of popularizing peaceful evolution in socialist countries is an inevitable outcome of the struggle between the diametrically opposed socialist and capitalist social systems and ideologies. So long as these two kinds of social systems and ideologies exist in the world, the struggle for and against peaceful evolution is unavoidable. Although there is a change in the expression of the struggle due to the balance of forces and changes in the current situation, the content and essence of the struggle will not change, and the struggle will be carried out in a protracted manner. Therefore, no matter what changes occur in the current world political situation, we should always maintain sharp vigilance against peaceful evolution, should firmly embrace the idea of opposing peaceful evolution, and should carry this struggle through to the end in a firm and unswerving manner. At the moment, we should particularly acquire a full understanding of the immediate threats posed to our country by peaceful evolution, and enhance the urgency of the struggle against peaceful evolution.

Why do we say that peaceful evolution constitutes threats to our country? Major reasons are:

First, viewing the Western hostile forces' posture in carrying out peaceful evolution in socialist countries, we can see that their posture is more frenzied than at any other time in the past, and many new characteristics have emerged as follows: 1) Biding time and destroying one by one; 2) coordinating closely and acting in unison; 3) launching an unbridled attack by sparing no money in their gambles; and 4) tactics becoming more crafty and fraudulent. Flaunting the banner supporting the reform and opening-up of socialist countries, Western hostile forces have gone all out to reverse the correct orientation of reform; have utilized the temporary economic crisis of socialist countries to attack and negate the socialist system; have utilized the national contradictions and religious problems to incite national splittism and religious fanaticism; have utilized the signboard of human

rights to interfere with the internal affairs of socialist countries and to prop up the so called "dissenters" and political opposition factions; and have utilized economic, academic, and cultural exchanges to conduct infiltration and defection activities. The implementation of the peaceful evolution strategy of Western countries will result in and lead to political turbulence, social turmoil, and even counterrevolutionary rebellion. If necessary, imperialism will also seek pretexts to conduct armed interference. Therefore, it is not peaceful behind "peaceful evolution."

Second, the developing trend indicates that the Western countries have paid increasingly more attention to regarding our country as a key target of peaceful evolution. As a big socialist country under the leadership of the Communist Party, our country has always been a key target which they have attempted to strangle. In the past 20 years or so from the founding of the PRC to 1972, when the relationship between China and the United States was "frozen," the hostile international forces adopted hostile policies to politically isolate, militarily encircle, and economically block China. After the normalization of relations between China and the United States, they took the opportunity of establishing mutual contacts to intensify infiltration and subversion. Their infiltration and subversion and the outflow of bourgeois liberalization led to the serious political storm in the spring and summer of 1989. The victory in suppressing the rebellion frustrated the hostile international forces' plot for peaceful evolution. However, they are bent on subjugating our country and are plotting a new rebellion. We must not lower our guard.

Third, viewing the situation at home, we know that the soil and conditions for peaceful evolution still exist. The major indicators are the remaining reactionary forces of the old society and the new bourgeois elements, the negative functions within the economy other than the public ownership, the spread of the thinking of bourgeois liberalization, and some corrosive phenomena within the party. The victory in ending the turmoil and suppressing the rebellion in 1989 dealt a strict blow to the forces against communism and socialism, but they did not resign themselves to defeat. Now, some of them go underground and launch more concealed movements. Some even changed their methods to launch a "lawful struggle" against us. Among them, some stubbornly persist in bourgeois liberalization, some are leaders of unlawful organizations, some are surviving elements of Lin Biao and the "Gang of Four," and some are hidden hostile forces. They are imperialist forces to conduct peaceful evolution against us, and they are ready for another trial of strength with us.

After summarizing the above statement, it is not difficult to understand that peaceful evolution has actually imperiled our country. We must have a strong sense of urgency and a strong sense of responsibility for history, observe the principles of the Central Committee, adopt appropriate countermeasures and measures, and bravely face the challenges of the hostile forces at home and

abroad. By so doing will we make the initiative and be in an invincible position under any circumstances. Now, some of our leading comrades understand this grim situation, put this on the work agenda, and conduct study and education. However, what merits our attention is that a considerable number of party-member cadres, including leading cadres, are seriously paralyzed in their concepts. Some quietly immerse themselves in their work but pay no attention to studying the class struggles at home and abroad. Thus, they fail to understand the actual menace of peaceful evolution. Some maintain that the struggle against peaceful evolution relates to the higher levels, not to them. Some do not fully understand the consequences of peaceful evolution and have paralyzed concepts. All this is extremely harmful. We must overcome this.

### **3. Clearly Discern the Major Trend of Historical Development, Enhance Confidence in the Struggle Against Peaceful Evolution**

At present, we should not only deal with the lack of vigilance against peaceful evolution but also with the problem of weak confidence in preventing peaceful evolution. We should go into the masses, schools, enterprises, rural areas, and organs to explain the situation; enhance education and guidance; answer the questions deeply rooted in the hearts of cadres and people by aiming at some knotty problems; and clearly discern that the current difficulties and setbacks encountered by the international communist movement are by no means "the total failure" of socialism and that the transient success of international imperialism in this regard can by no means save it from its doom. We should also clearly discern the major historical trend of replacing capitalism with socialism, which has not changed at present and will not be changed in the future. We should not only be determined but also have confidence in smashing the imperialist peaceful evolution strategy.

Replacement of capitalism with socialism, which is like any other new concept, can achieve development in waves. Highs or lows in the progressive course of replacing capitalism with socialist conforms to this rule and is also inevitable. The replacement between capitalism and feudalism was not smooth either. It took Britain several decades and France 100 years of restoration and antirestoration struggle to establish bourgeois rule. The replacement of capitalism with socialism represents the more profound revolution of eliminating all exploiting systems. Thus, it is not strange for us to suffer complications and relapses in the replacement struggle. The international communist movement achieved tremendous development under the leadership of Marx and Engels and the first and second leagues of nations were founded. The revolution incurred the low tide later on because most parties under the second league of nations openly betrayed the proletarian revolution. Following the revolutionary failure in 1905, Russia entered the reactionary period of Stolypin. The Bolshevik Party under the leadership of Lenin finally won the October Revolution by relying on the heroic struggle launched by

the working class, established the first socialist country in the world, and ushered in a new era in world history. Over the 70 years following the October Revolution, socialism has won great victories in a series of countries; fostered a world socialist system that can contend with capitalism; promoted national liberation and national independence movements in Asia, Africa, and Latin America; launched heavy blows or crumbled the colonial systems of imperialism; and effectively safeguarded and promoted world peace. However, the international communist movement also incurred two complications in the 1960's and has suffered several complications over the past few years. The consequences brought about by historical complications to the international communist movement is serious. However, by judging from the long course of historical development, these complications still represent an interlude and cannot or are unable to change the orientation of world historical development. We as firm believers of communism should adopt a higher or farther viewpoint in approaching this issue and should not become dizzy with temporary success nor lose our confidence because of setbacks. We should be firmly convinced that the low tide cropping up in the international communist movement is breeding a high tide and that it is no doubt that the international communist movement will further achieve development with tremendous momentum.

The low tide and fault cropping up in the course of socialist development are not caused by the socialist systems themselves. As mentioned above, socialism represents a profound revolution of eliminating all exploiting systems and classes and it is inevitable for it to suffer long-standing and repeated complications and to launch long-term and repeated struggles. Meanwhile, we should also note that socialism has first won its victory among the countries whose economies are relatively backward. Therefore, it will be surrounded by the capitalist countries with super economic strength for quite a long period, which will foster a situation in which the two systems coexist and are antagonistic for a long time. There is pressure brought about by imperialism abroad. The class struggle exists on a certain scale at home. This will bring about various kinds of opportunism within the ruling parties of socialist countries. In particular, we are still in the initial stage of developing the socialist system, and our systems have not been perfect enough. Thus, structural reform has been put on the work agenda. However, we have to go through a considerably arduous and complicated process in order to conduct reform. We will make a detour if we fail to conduct reforms. After World War II, the developed capitalist countries strengthened their economic interference, and adopted some policies to alleviate the contradictions between labor and capital with the achievements brought about by the modern scientific and technological revolution. Therefore, a temporary and relatively stable developmental situation emerged, and the challenge to and the attack on socialism were strengthened. All these are objective reasons for the complications and relapses

cropping up in the course of developing socialism. Moreover, these objective factors bring their functions into play through the artificial mistakes of the ruling parties of socialist countries, particularly through the opportunist line of the leaders. So, we must not attribute the low tide of the common international fate and the problems of the ruling parties of socialist countries to the socialist systems.

We should foster a firm belief in waging the struggle against peaceful evolution, and accurately understand capitalism. Although capitalism is in a relatively stable developmental stage, the contradictions inherent in the capitalist system have not been solved but intensified. Along with the development from capitalist monopoly to the state monopolizing capitalism, production has further been socialized, and there has been a requirement for organizing production in a unified plan of society. But, the private ownership of capitalism seriously affects the realization of this requirement, intensifies the basic contradictions of capitalism, and further promotes the development of the three great contradictions of the imperialism. Major indicators are as follows: First, there is a wide gap between the rich and the poor in capitalist countries, polarization is expanding, and the number of jobless increases ceaselessly. Although they alleviate the contradictions between labor and capital to a certain degree by carrying out the so-called "people's capitalist" policies, the reality is that the capitalist class squeezes increasing surplus value from the working class, and the number of the jobless is increasing with each passing day. According to statistics, the yearly average of jobless persons in developed capitalist countries numbered 6.5 million in 1960's and 24.8 million in the 1980's, and recorded 30 million in the peak year. The people living below the poverty level in the United States, the richest country in the world, numbered 24.1 million in 1969, and 31.9 million in 1988. The United States has experienced serious economic crises on two occasions since 1973. Now, it is still in the stage of economic stagnation and inflation. Second, the contradictions between developed capitalist countries and developing countries have further intensified. By giving "economic aid" and adopting unequal trade means, the imperialism has further plundered and exploited the Third World countries. The southern countries owed a debt of less than \$100 billion to the northern countries in the early 1970's, but the debt reached \$1,320 billion in 1988. As a result, the gap between the southern countries and the northern countries has further been expanded. The developing countries have increasingly higher desire to set up a new political and economic order. Third, contradictions between different imperialist countries have become increasingly sharp under the law on the uneven development of the imperialist countries. So, only when we attempt to hold our ground and stand up against adverse currents will the situation of the whole world develop along an orientation that is conducive to socialism. Capitalism is doomed, and socialism is bound to triumph. This is the law of historical development that cannot be resisted.

When viewed from the domestic situation, the struggle against peaceful evolution has many favorable conditions. First, our country's socialist system has been paid for by a protracted revolutionary war and the blood of tens of millions of revolutionary martyrs, and is the historic choice of all the people in the country. Thanks to the endeavor of the 40 years or so since the founding of the PRC, and the past dozen years in particular, the comprehensive strength of our country has joined the ranks of the world's top ten, our people's quality of life has exceeded the average level of that of the developing countries, and socialism has initially manifested its superiority and garnered the wholehearted support of all the people in the country. Second, as the core of the leadership of the Chinese revolution and construction, the CPC is great, glorious, and correct, and has withstood the trials of victory and setbacks, from high and low tide, and from favorable and adverse circumstances. No hostile forces at home and abroad can crush and destroy our adherence to Marxism-Leninism-Mao Zedong Thought; the theory of building socialism with Chinese characteristics; the party's basic line and the whole set of principles and policies during the initial stage of socialism; and the purpose of wholeheartedly serving the people, democratic centralism, and the three major styles of work; or our endeavor to maintain a high degree of unity and unification. Third, our country has a strong system of people's democratic dictatorship, with the working class as the leader and with the worker-peasant alliance as the foundation; and has a People's Liberation Army loyal to the party, the people, and socialism. Fourth, our people have a glorious tradition of revolution, patriotic and socialist ideas have taken root in the hearts of the people, and the influence of social democratism is relatively small. Fifth, our party has rich experiences in opposing peaceful evolution. When viewed from the world situation, the world is changing from two poles to multiple poles, and is full of intricate contradictions. During the complicated international struggle, we may make full use of contradictions, and have plenty of room to manoeuvre. All of them are favorable conditions for opposing peaceful evolution. With our feet firmly planted domestically, we should positively develop these favorable conditions, and conscientiously attend to the work in all fields. We should persistently execute the party's basic line, firmly follow our own path, and energetically build socialism with Chinese characteristics. We should persist in party leadership, rather than a multi-party system; should persist in the people's democratic dictatorship, rather than democratic parliamentarism; should persist in the party's absolute leadership over the Army, rather than separating the Army from the party; should persist in public ownership, rather than privatization; and should persist in Marxism-Mao Zedong Thought as the guiding ideology, rather than diversifying guiding ideology. By so doing, we will certainly be able to build a great wall of steel opposing peaceful evolution, to thoroughly smash the peaceful evolution strategy of the hostile forces at home and abroad, to achieve new and even greater progress in the socialist cause.



#### **4. Strive to Beef Up the National Economy, and Lay a Solid Material and Technological Foundation for Resisting Peaceful Evolution**

To oppose the peaceful evolution of imperialism, we should work hard to make our country strong, quietly immerse ourselves in hard work, conscientiously implement the 10-Year Program and the Eighth Five-Year Plan, go all out to beef up the national economy, and constantly improve the material and cultural living standards of the vast number of the masses. In other words, in grasping the peaceful evolution strategy, we are inseparable from the economic construction strategy, and these two strategies should be linked and should promote each other. Through this, we will ensure that the socialist system will never change its political color.

After the founding of the socialist system, a Marxist ruling party must give top priority to developing social productive forces. This is not a simple economic issue, but is a major political issue. Lenin said long ago: "Labor productivity is, in the final analysis, the most principal thing to ensure the victory of the new socialist system." In judging whether the socialist system is superior, we should eventually see whether productive forces develop faster than in capitalism. China's socialist system emerged from semicolonial and semifeudal societies. After more than 40 years of great efforts in construction, especially since the third plenary session of the 11th Central Committee, China's backward economy and culture have been changed tremendously. However, we still lag behind developed capitalist countries because our foundation is weak and time is short. The international situation is changing, and we have pressure from outside and difficulties inside. Therefore, we should all the more enhance the sense of urgency in economic development. Only when we always take economic construction as the central task, uphold the four cardinal principles, persist in reform and opening up, concentrate on achieving success in economic construction, and gradually accomplish the modernization program can we consolidate the socialist system, make socialism ever more appealing, and enhance China's international prestige. Otherwise, we will remain backward forever, be vulnerable to attack due to backwardness, and even collapse. This is a severe issue highlighted by objective reality which party committees at all levels should pay great attention to.

We should persistently take economic construction as the central task, always pay attention to it, gear work in various fields to the needs of economic construction, and gain the ability to organize the forces from various quarters to develop economic construction. We should conscientiously try to solve the problems of some localities that still fail to concentrate efforts and elbow each other aside. To guide economic work successfully, we should study and master the objective law governing economic construction; correctly handle the various problems and contradictions in economic development; overcome the two tendencies of being too impatient for quick results and making no attempt to accomplish

something; and strive for a sustained, stable, and coordinated economic development. We should properly handle the relationship between growth rate and efficiency and persistently take economic construction as the central task; properly handle the relationship between agriculture, light industry, and heavy industry, and always place agriculture in a prominent position; properly handle the relationship between the economy and science and technology and firmly embrace the viewpoint that science and technology are the primary productive forces; properly handle the relationship between accumulation and consumption and maintain a comprehensive balance between the total supply and total demand; and persist in the spirit of self-reliance, plain living, and arduous struggle. After China implemented the policy of opening to the outside world, Comrade Deng Xiaoping emphasized: "Independence and self-reliance were, are, and will always be our stand. The Chinese people value their friendship and cooperation with other countries and peoples and even more their independence gained after a long struggle. No foreign country should expect China to be its appendage and to swallow the bitter fruit that would damage its interests." Under the circumstances in which imperialist countries are stepping up efforts to promote the strategy of peaceful evolution, we should all the more adhere to the principle of independence and self-reliance, never yield to the temptation and pressure of the imperialist countries, and safeguard the independence and dignity of the motherland as we protect our lives.

#### **5. Draw a Clear Demarcation Line Between the Two Viewpoints on Reform and Opening Up and Adhere to the Socialist Orientation for Reform and Opening Up**

The major content of the party's basic line for the initial stage of socialism is "one central task and two basic points," which are an inseparable organic whole and are integrated in the practice of socialist modernization. As practice has proved, we must persist in reform and opening up. We should be more brave, our strides should be greater, and we should never retreat because there is nowhere to retreat. We should continue to emancipate our minds, actively explore, and promote reform and opening up continuously. Meanwhile, we should also note that reforms and the open policy represent an arduous and complicated struggle. It is imperative to uphold the four cardinal principles and to firmly grasp the socialist orientation of conducting reform and opening to the outside world. By no means should we pay lip service to the four cardinal principles without going into action. By so doing, it is inevitable that we mount an evil road. Comrade Jiang Zemin urged us to set a clear demarcation line between the following two concepts of conducting reform and opening to the outside world: One is the concept advocated by the CPC Central Committee and Comrade Deng Xiaoping with regard to conducting reform and opening to the outside world by upholding the four cardinal principles and through the self-improvement and self-development of socialist systems. The other is the concept advocated by those who uphold the stand of bourgeois liberalization

and attempt to "totally Westernize China" with regard to setting the "program" of conducting reform and opening to the outside world against the four cardinal principles. The latter concept in this regard represents capitalization in nature and is trying to orient China into the Western capitalist system. Since the enforcement of reform and the open policy, although our country has suffered small complications, it has made tremendous achievements by judging the situation as a whole because it has implemented the correct guiding ideology and policies of conducting reform and opening to the outside world. Hereafter, we should continuously pay attention to clearly setting the demarcation line between the two concepts in the course of practice and to enabling the undertakings of conducting reform and opening to the outside world to steadily achieve development along the socialist orientation. This represents the task for enforcing the strategy of opposing peaceful evolution.

Through 10 years of exploration and practice, it may be said that we have found a way on which to integrate the four cardinal principles with the program of conducting reform and opening to the outside world and that the content of the way includes affairs in many fields. By taking the economy as an example, we should develop the socialist planned commodity economy with the public ownership as a main content and with the effort to have the people commonly become wealthy as a target. To this end, in conducting reform in the economic system, it is imperative to pay major attention to the following several points: 1) Efforts should be made to ensure the chief position of the publicly owned economy and to vigorously support and develop the state-run and collective-run economy. This is where the existence and development of the socialist economy lie. At present, units from top to bottom as well as outside and within the province should make concerted efforts to vigorously boost large and medium-sized enterprises through the program of deepening reforms and gradually establish the managerial system and operation mechanism of state-run enterprises, which are full of vigor and vitality. On the premise of upholding the public ownership of rural land, efforts should be made to continuously stabilize the household responsibility system related to output, to improve or perfect the double-level business system with the integration between centralized and decentralized management, to actively develop socialized service systems, to gradually reinforce the strength of the collective-run economy, and to direct the broad masses of peasants to follow the road of collectively becoming wealthy. While consolidating and enhancing the publicly owned economy, we should not only encourage the non-publicly owned economy to achieve proper development within a certain scope and bring its supplementary role into play, but also enhance the management and guidance over the economy and restrict its negative role which is unfavorable for the development of the socialist economy. In particular, we should guard and resolutely block the phenomenon of "moving stealthily and privately" in nibbling at the publicly-owned economy by taking advantage of reform

and the open policy. 2) In the long run for the national economy as a whole, we should achieve development in a planned manner and in line with the proportion and integrate the planned economy with the regulating of markets. Efforts should be made to improve the traditional and extremely rigid planning systems but to refrain from conducting a totally market economy. We should continuously deepen reform in price systems and enable the proportional relation of various prices to tend to be reasonable. Efforts should be made to vigorously explore the specific extent, scope, ways, and styles of combinations in the course of practice of integrating the planned economy with the regulating of markets. 3) Efforts should be made to regard as a main form the principle of distributing according to work and other distributing forms as supplementary distribution systems. We should not only deal with the phenomenon of egalitarianism existing in the distribution field but also overcome the unfair social distribution problem of an extremely wide gap between the rich and the poor. Efforts should be made to resolutely suppress illegal income.

A country cannot isolate itself while developing the economy. We are in times when construction should be developed along with opening to the outside world. In conducting reforms and opening to the outside world, we are confronted with problems of bringing in capital, technologies, and skilled persons from capitalist countries. In line with the socialist principles, we should consciously use the developed countries' advanced sciences, advanced technologies, advanced managerial experiences, and outstanding cultural achievements to promote the development of socialist construction. We must never regard the common wealth of mankind as the property of capitalism. However, in making economic and technological contacts with imperialist countries, we should guard against their peaceful evolution plot, and persistently coordinate principles with flexibility. When bringing in the things of the capitalist society, we should resist some of them. We should bring in advanced and beneficial things and resolutely resist the corrosive and harmful things. We should neither be subject to economic or technological suppression, nor accept any additional conditions at the expense of the national dignity and the personalities. We should persist in the principle of independence and self-reliance, conscientiously digest and develop imported technology and equipment, and make all foreign aids conducive to enhancing the self-reliance capability. We should increase the economic results from use of foreign loans.

#### **6. Accurately Handle the Class Struggle in Some Spheres And Strengthen the People's Democratic Dictatorship**

In his "1 July" Speech, Comrade Jiang Zemin regarded the class struggle as China's basic national situation and emphatically pointed out: "The class struggle is no longer the major social contradiction in our country. But it will exist in some spheres for a long time and will possibly become acute under certain conditions. This

kind of struggle shows the conflict between bourgeois liberation and the four cardinal principles. The nucleus of the struggle is still related to political power. This kind of struggle is closely related to and mingles with the international hostile forces' struggle between infiltration and anti-infiltration, between subversion and antisubversion, and between the forces for and against peaceful evolution." We must accurately understand and handle the problems from the class struggle at home and abroad and intensify the people's democratic dictatorship so as to make achievements in frustrating the attack of peaceful evolution launched by the international hostile forces.

We should fully understand that the class struggle at home tends to be intensified in some aspects along with the deep implementation of the strategy of the international imperialism for peaceful evolution.

Therefore, we must not weaken the thinking of the class struggle, discard the class analysis methods, or weaken the functions of the people's democratic dictatorship. We must no longer take the class struggle as a key link. But we must clearly distinguish ourselves from the enemy and resolutely exercise dictatorship over them. Party committees at various levels should further strengthen leadership over political and legal work, intensify the overall improvement of social order, effectively wage the special struggle against serious crimes so that it is timely, and resolutely deal blows to the sabotage activities of the hostile forces.

The people's democratic dictatorship in our country is to practice democracy among the people and to exercise dictatorship over the people's enemy. The people's democracy will lose its guarantee if we do not exercise dictatorship over the enemy. If we do not practice democracy among the people, there will be no forces to exercise dictatorship over the enemy. Thus, strengthening the people's democratic dictatorship means both strengthening the dictatorship over the enemy and promoting the setup of the democracy and legal system of socialism with Chinese characteristics. We should continue to carry out political structural reform, and persist in and perfect the people's congress system, the system of multi-party cooperation and political consultation under the leadership of the CPC, and the system of regional autonomy. We should continue to consolidate and expand the broadest possible patriotic united front, and develop the political alliance between all socialist laborers and the patriots supporting socialism and the reunification of the motherland. We should safeguard the people's right to be masters of the country, further enliven the democratic activities of organizations at the grass-roots level, and mobilize the people's initiative in participating in and discussing political affairs and conducting democratic supervision. Only by so doing can we guarantee the system and the source of strength for the state power of our people's democratic dictatorship, and can we win a victory against peaceful evolution.

To strengthen the people's democratic dictatorship, we must persist in the principle that the party exercise unified leadership over state power, and oppose "political diversification." This is decided by the nature of our country and by the position of the ruling party. Only under the leadership of the CPC can the people's democratic dictatorship be established and consolidated; and only under the leadership of the CPC can state political power organs at all levels and the political, ideological, economic, and cultural work develop along a correct and sound path. All behaviors weakening party leadership and all behaviors attempting to cast off party leadership are erroneous. Party organizations at all levels, all party members, and all state cadres, leading cadres in particular, should strengthen the consciousness of the ruling party, and should struggle to consolidate and defend the party's role in ruling the country.

#### **7. Conscientiously Attend to Ideological Work, and Persist in the Guiding Position of Marxism-Leninism-Mao Zedong Thought**

At the moment, the class struggle within our country has been concentratively manifested as the contrast and struggle between bourgeois liberalization and the four cardinal principles, and this political struggle has frequently been manifested through the ideological and theoretical struggle in the ideological field. At the same time, the ideological field is also an important battlefield of the struggle for and against peaceful evolution. International imperialism has exerted great efforts in the ideological field with a view to practicing peaceful evolution in socialist countries. Through the press, radio, television, films, video tapes, publications, music, dance, drama, and education, the international hostile forces have spread the political viewpoints against communism and socialism as well as the bourgeois outlook on values and corrosive lifestyle. Therefore, to defeat the "psychological battle" conducted by hostile forces at home and abroad, party committees at all levels should pay great attention to the struggle in the ideological field; strengthen leadership over the press, publications, literature and art, education, films, television, and theoretical propaganda departments; firmly grasp the leadership of these departments; frequently study and solve existing problems; conscientiously carry out the work; and build a great wall of steel against peaceful evolution.

To strengthen the work in ideology, the most essential thing is to define the guiding position of Marxism-Leninism-Mao Zedong Thought. Marxism-Leninism-Mao Zedong Thought is an extremely strict and complete system of scientific ideology, is the world outlook and methodology of the proletariat and the revolutionary people to approach and remold the world, and is the sole correct guiding ideology to make our country's revolution and construction march from victory to victory. Experiences showed that when abandoning the guidance of Marxist theory and replacing it with "new ideological trends" or bourgeois "democracy, freedom, and equality," a socialist country will be led to a split between the party and the state and even the



destruction of the party and the state. Therefore, at no time should Marxism, which is the foundation for building the party and the state, be cast away. We should make unremitting efforts to educate party members, cadres, and ordinary people with Marxism-Leninism-Mao Zedong Thought and conduct socialist and communist ideological education. Hebei's socialist ideological education is being conducted in a planned and orderly manner in rural areas. Urban neighborhoods, offices, schools, enterprises, and institutions should also conduct the education under the leadership of local party committees to raise the awareness of the cadres and ordinary people in and outside the party in persisting in Marxism and socialism and in resisting peaceful evolution. When conducting education, we should continue to organize the cadres and ordinary people in and outside the party to thoroughly study the works by Marx, Lenin, and Chairman Mao, the works by Deng Xiaoping and other proletarian revolutionaries of the older generation, and Comrade Jiang Zemin's "1 July" speech to master the ideological weapon for opposing peaceful evolution. Meanwhile, we should extensively and penetratingly criticize the numerous fallacies adopted by international imperialists to promote the strategy of peaceful evolution, criticize democratic socialism, and criticize bourgeois liberalization. These three are different in manifestation but the same in their class essence. Democratic socialism and bourgeois liberalization are reactionary ideologies to disintegrate socialism that meet the needs of the imperialist strategy of peaceful evolution. We should penetratingly criticize them, combine the criticism with our efforts to oppose bourgeois liberalization, lead the cadres and ordinary people to draw a clear demarcation line between Marxism and counter-Marxism, between socialism and capitalism, and between scientific socialism and democratic socialism, and eliminate the pernicious influence of all erroneous ideas.

We should exert persistent efforts to make socialist ideology prevail on the ideological front and make socialist ideology and culture develop and flourish. In ideological work, we should persist in the orientation of serving socialism and the people and the "double-hundred" policy, fully manifest people's interests and desires, and create more multiform intellectual and cultural products with advanced ideology and sound content which people love to see and hear so as to satisfy their numerous needs at different levels. We should correctly handle the relationship between economic benefits and social benefits and put the latter in the first place. We should strengthen management of the cultural market; intensify examination of pictures, books, and audio and video products; continue the antipornography work; and strictly prevent all reactionary and pornographic things from spreading. We should do a good job in propaganda and education on Marxist religious viewpoints and the party's religious policies, resolutely deal blows to and ban underground religious forces, and resolutely prohibit all reactionary secret societies and feudal and superstitious activities. Communist Party

members will never be permitted to have religious beliefs and those who do should be persuaded to withdraw from the party. The quality of ideological workers has an important bearing on how ideological work is carried out. We should show concern for, train, and replenish the contingent; strive to improve its political, ideological, and professional qualities; and ensure that it is loyal to Marxism and the party's line. This is key to achieving success in ideological work.

#### **8. Strengthen Party Building, and Ensure That Leadership Is Grasped in the Hands of the People Loyal to Marxism Forever**

Whether peaceful evolution can occur in our country's socialist system is primarily decided by whether our party can always maintain its nature as proletarian vanguard and can consolidate its position of ruling the state. The easiest way to capture a fortress is from within. In front of the attack from hostile forces at home and abroad, the CPC, which is at the helm of the state, could not always maintain the high degree of unity and unification in the party without correct ideological, political, and organization lines, nor could it maintain the flesh-and-blood relations with the masses. Then, in the political struggle, the CPC would certainly be defeated. Therefore, to build a modernized socialist motherland, and to prevent peaceful evolution, we should first go all out to build the party well in order to make our party more steadfast in politics, more mature in theory, more united in ideology, more pure in organization, more intimate in its relations with the masses, and truly a strong core of leadership to push forward all undertakings along the socialist path.

The key issue of strengthening party building is to successfully build leading bodies at all levels and to ensure that leadership is truly grasped in the hands of the people loyal to Marxism. For this issue, Comrade Jiang Zemin has set the following five demands on leading cadres: First, leading cadres should have a solid foundation in understanding Marxist theory, which is needed to perform functions and duties well; should be familiar with the conditions of our country; should pay attention to integrating theory with practice; and should strive to uphold Marxism-Leninism-Mao Zedong Thought. Second, leading cadres should steadily persist in the proletarian stand, correctly implement the basic line of the party, consciously uphold the four cardinal principles as well as reform and opening-up, oppose bourgeois liberalization, and withstand the trials of ruling the country, of carrying out reform and opening-up, and of peaceful evolution. Third, leading cadres should firmly and unswervingly advance along the path of building socialism with Chinese characteristics, should be confident and resolute in creating the new situation, and should have the courage and ability to struggle in spite of all setbacks to fulfill the strategic goals set forth by the CPC Central Committee. Fourth, leading cadres should wholeheartedly serve the people, maintain close ties with the masses, follow the mass line, and carry forward the party's fine tradition of arduous struggle. Fifth, leading

cadres should implement the principle of democratic centralism, should be broad-minded, should have an overall point of view, should be good at maintaining unity among comrades, should particularly be able to unite dissenters to work together, and should have good leadership and organizational ability. These five demands have been set forth after profoundly summarizing historical and immediate experiences, and each of them is indispensable. These five demands are very great and must be attained. Failing to attain them, one cannot be a qualified and competent leading cadre. The key for leading bodies lies in top leaders, who constitute the core of the bodies, and thus the demands on them should be even higher and stricter. Top leaders of party committees of counties or those in higher positions should become revolutionaries loyal to Marxism; become examples in executing the party's basic line and the principle of democratic centralism; become leaders of wholeheartedly serving the people; and become leaders good at recognizing political confusion, able to make good policy decisions and to unite comrades to work together. With such top leaders, leading bodies will be able to arouse the initiative of all members, give full play to collective wisdom, and build themselves into strong headquarters. With such headquarters, leading bodies will be able to guide the vast number of cadres and the masses with and without party affiliation to successfully push forward the socialist cause of the party and the people.

A key task relating to strengthening party building at present is to wage positively the struggle against corruption and peaceful evolution. The struggle between adherence to the four cardinal principles and bourgeois liberation and between the forces for and against peaceful evolution will essentially be reflected in the party. Therefore, under the new historical conditions, we must withstand the trials of being in power; of conducting reforms, opening the country to the outside world, and developing the commodity economy; and of opposing peaceful evolution. The trials in these three regards are related to one another, and can be concentrated into one. That is, we should withstand the trial of opposing corruption and peaceful evolution. Now, there are really some party members and party cadres without firm revolutionary determination. They are defeated in these three trials. Therefore, we must regard the improvement of party style and administrative honesty and the opposition to corruption as a great matter to guard against peaceful evolution. At present, some leading cadres only know that the main trend of the party is good to the neglect of some existing problems. Some only immerse themselves in hard work to the neglect of improving administrative honesty. Some even talk a lot but do little in the sphere of opposing corruption. Some handle problems too leniently. Some even turn big problems into small problems and small problems into no problem at all. These phenomena must be eliminated and corrected. We must strictly administer the party, and be honest in performing administrative affairs. Particularly, leading cadres should be as good as their words, be strict with themselves, and play an exemplary role. We should

strengthen the supervision within the party and supervision by the masses, conscientiously implement various systems and measures for opposing corruption and peaceful evolution, and ensure that the party will maintain the advanced nature and purity of the proletariat forever.

To ensure that the party and the state advance along the road of socialism with Chinese characteristics, we must regard the cultivation of hundreds of millions of successors to socialism as an urgent strategic task, and attend to it. Our party is in a period when the old cadres contingent is being replaced by the new one. So, it is necessary to speedily cultivate and select a large number of successors. Meanwhile, although the young and middle-aged cadres who successively took on the leading posts in the past years have fairly high educational levels and are younger in their average age, they still have to further improve their theoretical understanding and work ability, and to become more revolutionary. Comrade Mao Zedong warned us that imperialism has no chance of success in conducting peaceful evolution among our leaders of the first and second generations, but it places the hope on our party leaders of the third and fourth generations. To see the imperialist plot fall through, we must stand high and see far, and adopt effective measures for selecting and cultivating a large number of young cadres who are loyal to Marxism and who are able to undertake the heavy tasks of this and next centuries at the time of helping the leading bodies and leading cadres improve their political and ideological work and work style. This is a strategic task that has a bearing on the long-term order and stability of the state as well as a great matter of the whole party. All fronts and all departments should assume heavy responsibility for this. Particularly, institutions of higher learning should undertake even heavier tasks, further enhance the sense of historical mission and the sense of responsibility, regard the cultivation of successors to socialism as their fundamental task, and make positive contributions to ensuring that there is no lack of successors to carry on the cause of the party.

### Views Dacheng Family Planning

SK2611063791 Shijiazhuang HEBEI RIBAO  
in Chinese 2 Oct 91 p 1

[By Reporter Du Qingyuan (2629 1987 3293): "Xing Chongzhi Inspects Dacheng County"]

[Text] During his inspection of Dacheng County over the past few days, Xing Chongzhi, secretary of the provincial party committee, stressed that leaders at various levels should further improve their work style and firmly, solidly, and successfully attend to the work.

Dacheng County once lagged behind in terms of the family planning work. Last May, Xing Chongzhi paid a special visit to this county to inspect and guide the work. In the past few months, the county leaders first helped

leading cadres at various levels upgrade their understanding, ceaselessly implemented various family planning work measures, and promptly made a breakthrough. The county's natural population growth rate is expected to be less than 10 per thousand by the end of this year. At the same time, the county persistently attended to the development of production and the implementation of the family planning policies, and made new economic progress. Xing Chongzhi fully affirmed the county's achievements.

Xing Chongzhi said: Viewing the practice of grasping family planning work, we know that some experiences are worth summing up. First, no matter how easy the work is, we should persist in the principle of first conducting ideological education among the masses to have the people understand the work. We should upgrade the people's understanding through propaganda, deepen their understanding through practice, and consciously engage in the work in the course of deepening understanding. This was also a fundamental experience in engaging in revolution and construction under the guidance of Chairman Mao. Only when we upgrade our understanding and actually go into action will all tasks be fulfilled. Second, party-member cadres should take the lead. Now, our party is confronted with "three trials." That is, Communist Party members must not be affected by peaceful evolution and must play an exemplary role in various spheres. Now, the masses have complaints about some party members because these party members have not done nearly enough in this regard. If party organizations at various levels and party-member cadres take the lead in implementing the principles and policies of the party, and always serve the people wholeheartedly, the masses will be able to catch up with the situation and they will find it easy to carry out the family planning work as well as the work in various spheres. Third, leaders at various levels should firmly and solidly attend to the work. If we do not firmly and solidly attend to the work, it will be impossible to accomplish. The county made noticeable achievements in the family planning work in the past six months thanks directly to the efforts to firmly and solidly attend to the work made by the county and township party committees and some grass-roots party branches.

Xing Chongzhi urged: Party organizations at various levels and the vast number of party-member cadres should popularize experiences in grasping the family planning work, and further make greater achievements. Based on the existing achievements, we should further improve our work style; resolutely overcome the phenomena of having no solid ideas, work style, and work achievements; make higher-level organs better serve the grass roots and the masses; make the superstructure better serve the economic foundation; and strive to improve our industries, agriculture, town and township enterprises, and family planning work.

### Visits Armed Police Officers

SK2611075491 Shijiazhuang HEBEI RIBAO  
in Chinese 3 Oct 91 p 1

[By reporter Lei Deliang (7191 1795 0081) and Chen Bo (7115 3134): "Raise Military and Political Quality and Successfully Fulfill All Tasks"]

[Text] On the afternoon of 1 October, Xing Chongzhi, secretary of the provincial party committee, came to the Hebei Armed Police force despite a fine drizzle to visit cadres and soldiers who stood fast at their posts, and held cordial talks with the officers and men.

Comrade Xing Chongzhi said: The Hebei Armed Police force has unwaveringly implemented the party's line, principles, and policies, and played an important role in safeguarding the stability of Hebei. The Armed Police force has made contributions.

Xing Chongzhi said: A few days ago, General Secretary Jiang Zemin came to the police force organ to meet some officers and men, and gave an important speech. This is the concern and deep love which the general secretary has given to all officers and men. It is hoped that you will conscientiously implement the guidelines of General Secretary Jiang's speech and inscription, grasp your work more firmly and more solid than before, realistically raise the military and political quality of the police force, push the building of the Armed Police force to a further extent, realistically make the police force become a politically qualified contingent with a perfect mastery of military skills and strong safeguarding ability, and become a great wall of steel in resisting peaceful evolution.

Comrade Xing Chongzhi stressed: Leading bodies of the Armed Police force at all levels should always place themselves under the party's absolute leadership; be loyal to the party, the people, socialism, and their duty; and successfully fulfill all tasks entrusted to them by the higher levels.

### Tianjin Reports Increased Cotton Grain Harvests

OW2711132691 Beijing XINHUA in English  
1303 GMT 27 Nov 91

[Text] Beijing, November 27 (XINHUA)—Tianjin enjoyed a record grain harvest this year, despite a spate of natural disasters.

Its grain output totaled 1.95 billion kg, a 3.3 percent increase over last year.

In addition, the northern China port city's 29,000 ha [hectares] of cotton yielded 50 percent more ginned cotton than last year.

At the same time the production of vegetables, milk, meat and eggs also showed increases.



## Northeast Region

### He Zhukang Addresses Jilin Party School Session

SK2511083091 Changchun JILIN RIBAO  
in Chinese 27 Sep 91 p 1

[Text] The discussion session of county (city and district) party committee secretaries, sponsored by the party school of the provincial party committee, ended today.

This two-week discussion session mainly studied Comrade Jiang Zemin's "1 July" speech and discussed ways to oppose peaceful evolution. During the discussion session, Comrade Du Qinglin gave a study mobilization speech. Comrade He Zhukang gave an important speech on the international and domestic situation in line with our provincial conditions. These two leading comrades also held a forum with comrades attending the discussion session.

This study and discussion session achieved fairly great success because it combined theory with practice, and its major points were as follows: First, through the study of Comrade Jiang Zemin's "1 July" speech, the participants succeeded in enhancing their spirit, strengthening confidence, and further intensifying their understanding of the importance, urgency, and protractedness of the struggle to oppose peaceful evolution; sober-mindedly understood that under the current situation, we must not underestimate the danger of peaceful evolution promoted by international hostile forces; the influence which the changing situation in Eastern European countries has imposed on China; the danger of bourgeois liberalization; the influence of democratic socialist ideological trends; and the "three impurities" inside the party. In view of the fact that peaceful evolution within the international framework and the struggle against peaceful evolution will exist for a long time, and that the domestic class struggle will exist within a definite scope on a long-term basis, we must maintain sharp vigilance. Second, in opposing peaceful evolution, we must take the party's basic line as a guidance, and unswervingly uphold "one central task and two basic points." At present, we are facing two challenges; namely the challenge of peaceful evolution, and the challenge of world economic competition and new technological revolution. Therefore, we must actively develop productives forces, adhere to the correct orientation of reform and opening up, and carry out party construction work in line with the party's basic line. Third, we should understand that in the struggle to oppose peaceful evolution, we must further strengthen party building and realistically run the party strictly. It is necessary to strengthen education on the party's purpose; resolutely oppose individualism, selfish departmentalism, and the practice of putting money above everything else; establish and perfect a set of systems to resist corruption and degeneration; and never tolerate those people who disregard party discipline, administrative discipline, and the law. Fourth, we should understand that we must use Marxism to occupy the ideological forward front, and educate the

masses to strengthen their socialist conviction. Fifth, we should understand that we must realistically grasp well the building of grass-roots organizations from the perspective of opposing peaceful evolution, and enhance the fighting capacity of the grass-roots party organizations.

Comrade Gao Yan gave a summing-up speech at today's ceremony to end the discussion session. On the basis of summarizing the achievements gained at the discussion session, he offered suggestions for strengthening the ideology and work style of the leading bodies. He pointed out in his speech: First, under the current situation, we must clearly understand the major significance of strengthening the ideology and work style of leading bodies from a strategic perspective. The 1990's is a crucial period for the socialist modernization drive, and the task facing us is to push the economy forward and to realize the second-step strategic objective. In addition, we must oppose peaceful evolution plotted by the hostile forces at home and abroad, and firmly follow the socialist road.

The key to fulfilling these two major tasks is to build the party well; and the key to building the party well lies in building the leading bodies well. Therefore, in addition to choosing the right persons, we must also train, educate, and improve the quality of those cadres who have been selected to assume leading posts, and train the leading bodies at all levels to become politically strong and ideologically united leading collectives who are perfect in work style, cooperative, honest, and efficient. Second, we should strengthen the study of Marxist theories, and enhance the political and theoretical level of members of the leading bodies. Doing a good job in theoretical study is the demand which the situation and tasks have set on leading bodies. Only when leading cadres are fairly accomplished Marxist theory can they strengthen conviction, take a firm stand, draw clear distinctions concerning cardinal issues of right and wrong, and consciously resist peaceful evolution and the corrosive ideological influence of bourgeois liberalization; correctly implement the party's basic line, and push the modernization drive and the reform and opening-up undertakings forward; and consciously transform the world outlook, and enhance party spirit. Therefore, only by consciously studying Marxism, and using scientific theories to arm our minds can we shoulder the glorious tasks which history has entrusted to us. Third, we must strengthen the ideology and work style of leading bodies, grasp the priorities, and conscientiously solve prominent problems. At present, on the whole, we must conscientiously attend to unity, strengthen the joint efforts of leading bodies, be honest, set strict demands on ourselves, and enable leading bodies to become honest and self-disciplined; change work style and maintain close ties between the party and the masses; implement the work and exert real efforts to deal with concrete matters relating to work. Fourth, we must persist in paying simultaneous attention to building two civilizations on the basis of implementing the party's basic line and strengthening the ideology and work style of leading

bodies. In the face of the complex international situation and heavy tasks at home, leading bodies of counties, cities, and districts should place the improvement of ideology and work style on their agenda, and grasp it as a fundamental and strategic task. The key to strengthening the ideology and work style of leading bodies lies in the efforts of principal leaders and secretaries to display a leading role in upholding the correct orientation; a united, harmonious, and cohesive role; an exemplary role in keeping the government organs clean and honest; a model role in doing administrative work diligently and dealing with concrete matters relating to work; and a key role in democratic construction. As long as secretaries of all county, city, and district party committees can do a good job in improving ideology and work style and can use their own deeds to bring along and manage the leading bodies, it is possible for us to become a strong leading core for unswervingly implementing the party's basic line, and be united to lead the broad masses of people to carry out socialist modernization.

### **Jilin Holds Rural Cultural Work Conference**

SK2511050191 Changchun JILIN RIBAO  
in Chinese 23 Sep 91 p 1

[Excerpts] Today, Gu Changchun, deputy secretary of the provincial party committee, emphatically pointed out at the provincial rural cultural work conference that it is necessary to firmly occupy the rural ideological and cultural front and to build a great wall of steel to oppose peaceful evolution in rural areas.

For more than 10 years, our province has greatly developed its rural cultural work and given rise to a new rural cultural development pattern focusing on township and town cultural stations with the building of village and family-based cultural units as the basis, and basically realized the goal of having cultural halls and libraries in all counties, cultural stations in all townships and towns, and cultural rooms in 70 percent of villages; film release and projection networks at the county, township, and village levels were formed; and healthy cultural activities with our province's rural characteristics, including cultural activities during festivals and slack farming seasons and other family-based cultural activities, and activities on ginseng cultivation and afforestation, were conducted one after another. Several million peasants regularly attended all sorts of cultural activities every year. However, the existing cultural facilities and work have lagged behind the actual situation of rural economic development, far from meeting the daily increasing spiritual and cultural needs of the masses of people. In this connection, the provincial government held a provincial cultural work conference of party and government leaders of various cities, prefectures, and autonomous prefectures and directors of cultural bureaus on 20-22 September to specially discuss how to strengthen rural cultural work under the new situation. [passage omitted]

At the beginning of the conference, Vice Governor Zhang Yueqi gave a speech in which he pointed out that the current task of prime importance for our province's rural cultural work is to uphold the socialist front in the rural areas; manage the rural cultural market well; and resolutely prevent antiparty, anticommunist, pornographic, feudal, and superstitious things, as well as things opposed to science because of ignorance, from becoming popular in the rural cultural market. Vice Governor Zhang Yueqi called on governments at all levels to include rural cultural work on the agenda, regard it as a work concerning the overall situation, and list it in their targeted management responsibility system and in the local economic and social development plans. All county and township governments should discuss rural cultural work at least once a year, solve some problems realistically, and strive to satisfy the daily increasing spiritual and cultural needs of the rural residents.

This morning, Gu Changchun attended the conference and listened to briefings given by leaders of various cities, prefectures, and autonomous prefectures on their understanding of the rural cultural work, and their specific arrangements for implementing the guidelines of this conference. He stressed three issues:

Enhance the sense of occupying the rural ideological front, and build a great wall of steel in rural areas to oppose peaceful evolution.

Enhance the sense of construction and use new and lively cultural activities that can manifest the socialist orientation to attract the masses. Meanwhile, we must have the ideology of building a massive cultural front, make overall social planning and arrangements, and attain the objective of serving the economy through the function of cultural infiltration and influence.

Enhance the sense of reform, induce peasants to form a concept that culture is a kind of consumption, and pool the financial resources of the masses to hold cultural activities.

Gu Changchun said: Providing paid service to peasants which they are willing to accept is by no means to increase the burden of peasants. It is aimed at using cultural activities to enrich their cultural life. These kinds of activities should be promoted. In addition, we must have foresight in the course of reforming the management and personnel systems and must not create man-made difficulties. This conference decided to place the emphasis of the whole province's cultural work in the rural areas, and made arrangements for winter-spring cultural work.

Also attending the conference were relevant comrades of the provincial people's congress, the provincial committee of the Chinese People's Political Consultative Conference, the provincial System Establishment Committee, and the provincial Financial and Tax Departments. The Ministry of Culture also sent representatives to attend this conference.

**Antidrug Telephone Conference Held 23 Sep**

SK2511084991 Changchun JILIN RIBAO  
in Chinese 25 Sep 91 p 1

[By reporter Wang Chengyong (3769 2052 0516): "Resolutely and Effectively Crack Down on Criminal Activities Related to Drugs"]

[Text] In line with the principle of prohibiting planting, trafficking, and abuse; eliminating sources; and enforcing laws strictly to bring about both a temporary solution and a permanent cure, Jilin Province will make meticulous plans from now on to wage an all-round and intensified struggle against drugs and strive to control drug trafficking effectively and basically eliminate illegal planting of opium poppies and drug abuse in two to three years. This was a call put forward by Wu Yixia at the provincial antidrug telephone conference held on 23 September.

Due to the influence of various factors, the problems of drug trafficking, illegal planting of opium poppies, and drug abuse have risen again in the past few years, creating a rather grim situation in Jilin's antidrug work. Despite their limited personnel, funds, and equipment, all localities and relevant departments have attached great importance to antidrug work, overcome difficulties, made active efforts to prevent criminal activities related to drugs from spreading in the province, and achieved fairly good results. According to statistics, the number of drug trafficking cases cracked in 1990 nearly doubled that of 1989. Since 1985, more than 600,000 opium poppies were uprooted.

In his speech, Wu Yixia put forward six demands for the province's antidrug work. They are to understand thoroughly the serious danger of the drug problem and conscientiously strengthen leadership over antidrug work; to intensify antidrug work and sternly crack down on criminal drug cases; actively launch work to prohibit planting and to uproot opium poppies, and eliminate the sources of drugs within the province; to achieve success conscientiously in ending drug abuse and in rehabilitation, and resolutely prevent drug abuse from spreading; to intensify propaganda and education on antidrug work; and to encourage all relevant departments to fully develop their functions to tackle the drug problem comprehensively. Efforts should be made to implement conscientiously the "Decision on Banning Drugs" issued by the National People's Congress Standing Committee, and promptly and strictly punish according to law elements committing serious drug offenses.

At the conference, a responsible comrade of the provincial Public Security Department spoke to relay the guidelines of the national antidrug work conference and three typical units—the Dongchang District of Tonghua city, Jian city, and Dunhua city—introduced their experiences in the antidrug work.

Attending the conference were responsible comrades of the pertinent departments directly under the province;

responsible comrades of city, prefectural, and autonomous prefectural governments; and responsible persons of relevant departments.

**Jilin Reviews Foreign Capital Utilization**

SK2511084591 Changchun JILIN RIBAO  
in Chinese 25 Sep 91 p 1

[By Chen Xudong (7115 2485 2639) and reporter Wang Bo (3769 3134): "Jilin Signed Contracts To Use More Than \$300 Million of Foreign Capital Over the Past 10 Years"]

[Text] Reform and opening up brought new vitality to Jilin's international economic and technological cooperation. In the past 10 years, Jilin signed 331 foreign capital utilization contracts with more than 20 countries and regions, and the total amount of foreign capital was \$351.4 million. This was an important contribution to Jilin's economic development.

For the construction of infrastructural facilities, 74 foreign loans totaling \$162 million were used to build energy, telecommunications, and medical facilities on a priority basis. The Changchun-Baicheng 480-circuit telecommunications and power line was put into operation; program-controlled telephone switchboards totaling 136,000 lines were imported; and the Jilin Tumor Hospital, with 400 beds, was built along with three emergency centers.

New types of industries were developed. Through indirect investment by foreign firms, such as compensation trade and international leasing, new types of industries, such as the Changbai Diatomite Filter Aid Plant, with an annual capacity of 15,000 tons, and the Meihokou Alcohol Plant were built. Direct investment totaling \$67.14 million was also used to establish 139 joint ventures and cooperative enterprises. The Jilin-Canadian cooperative enterprise, producing American ginseng, and corn processing projects, such as the Jida and Deda feed plants and the Huanglong corn starch plant jointly invested by Jilin and the Chia Tai Group of Thailand, helped turn Jilin's products into commodities with advantages.

In the past 10 years, Jilin also used foreign capital to facilitate the technical transformation of old enterprises and develop new products that filled gaps in the province. A total of 823 technology and equipment import contracts worth \$598.64 million were signed with foreign countries. During the Seventh Five-Year Plan, Jilin's light industrial and textile enterprises imported advanced technology and equipment for systematic spinning, machine knitting, and multi-functional computerized embroidery to develop a great number of new fabrics and garments. This helped increase the output value of light and textile industries to 2 billion yuan, and their exports to 360 million, ranking first among the various industries of the province.



Since the beginning of this year, Jilin again formulated a series of preferential policies, such as "preferential methods for foreign investment," to further improve the investment climate. In the first half of this year, 44 foreign-invested enterprises with contracted foreign capital totaling \$177.28 million, and six foreign loans totaling \$18.74 million were approved.

### **Jilin Holds 'Religious Work' Conference 25 Nov**

*SK2611053091 Changchun Jilin People's Radio  
Network in Mandarin 1030 GMT 25 Nov 91*

[Text] The provincial government held a provincial religious work conference in Changchun this morning. Zhang Yueqi, provincial vice governor, attended and addressed the conference. He said: We should have a full understanding of the important significance of achieving success in religious work, which is our long-term task. In the process of building socialism in China, it has always been a very important task to treat and handle religious issues correctly. The Central Committee gave profound theoretical expositions on religious issues and formulated explicit principles and policies. The state also worked out relevant stipulations in its Constitution and laws. We should implement them comprehensively and correctly and carry out specific work meticulously and successfully. We should pay great attention to the serious danger created by the religious infiltration of hostile forces outside the country and adopt a firm attitude and effective measures to resolutely resist and ban religious infiltration carried out by foreign hostile forces for the purpose of political subversion. To clarify people's confused ideas is very important to the endeavor to achieve success in the religious work of the province, especially in eliminating the religious infiltration of hostile forces outside the country.

Zhang Yueqi pointed out: Managing religious affairs according to law is the important responsibility of governments at all levels and their religious work departments and also a task to be carried out on a regular basis for religious work. Only when we strengthen management can we ensure that religious policies are implemented comprehensively and correctly and the religious infiltration of hostile forces outside the country is effectively resisted. We should use education as well as administrative and legal means to keep the various religious activities within the framework of the Constitution, laws, rules, and policy regulations. Meanwhile, we should ensure citizens' freedom of religious belief, protect the legal rights and interest of religious groups and the places where religious activities are carried out, and guarantee the right of religious personnel to normal religious activities. To achieve greater success in religious work, we should improve the organs for religious work and intensify efforts to build up the contingent of cadres in charge of religious work.

Comrade (Yang Chongxiang), deputy director of the State Council Bureau of Religious Affairs, also spoke at the conference.

Attending today's conference were Ren Junjie, Chen Zhenkang, Feng Yingkui, and Luo Yuejia, as well as responsible persons of the United Front Work Department of the provincial party committee. Also attending were leading comrades in charge of religious work of the various city, prefectural, and autonomous prefectural governments and commissioner's offices; responsible comrades of their religious affairs departments; and responsible comrades of the pertinent departments directly under the province and the pertinent departments of the provincial people's congress and the provincial military district.

### **Conference Concludes**

*SK2911023391 Changchun Jilin People's Radio  
Network in Mandarin 1030 GMT 27 Nov 91*

[Text] After a two-and-half-day session, the provincial religious work conference concluded in Changchun on the afternoon of 27 November. During the conference, participants earnestly studied the important speech given by General Secretary Jiang Zemin at the forum sponsored by him and a number of representatives who were attending the national religious work conference and the speech given by Premier Li Peng at the national religious work conference.

During the conference, the participating comrades held earnest discussion in line with their ideological and working reality.

At the end of the work conference, Du Qinglin, deputy secretary of the provincial party committee, delivered a speech, in which he stated that we should correctly discern the religious problems and work, accurately understand and implement in an overall way the party's policy on the freedom of religious belief, realistically enhance leadership over religious work, study and analyze in a timely manner the situation prevailing in the religious work, earnestly inspect the implementation of the policy on the religious work, and deal with existing problems in a timely manner. The responsible cadres of party and government organs at all levels should deeply conduct education on the Marxist religious view and the party's policy on religious affairs among the broad masses of party members and cadres, and assist the United Front Work Department under the party committee to do a good job in conducting the work among the representative personages of religious circles and enhancing the contact with religious personages. Efforts should be made to publicize the party's principles and policies among them, to conduct education on patriotism and socialism among them, to patiently listen to their opinions and suggestions, and to help them deal with problems cropping up in work.

Du Qinglin pointed out in his speech that religious work is an important matter of policy and politics and involves many social circles and various departments under the party and government organs. Therefore, various relevant departments, under the unified leadership of the party committee and the government, should

coordinate well, make concerted efforts, and commonly do a good job in conducting religious work. Tasks assumed by our province in conducting religious work are relatively heavy. To make a success in religious work, it is imperative to further improve the government organs in charge of religious work and to enhance the construction of the contingent of personnel in charge of religious work. Efforts should be made to enhance the work of training cadres in charge of religious work and to realistically upgrade their level of implementing the religious policy and their professional quality.

(Yang Tongxiang), deputy director of the Bureau of Religious Affairs under the State Council, attended the work conference and also attending the conference were Chen Zhenkang, Zhang Yueqi, Feng Yingkkui, and Luo Yuejia, as well as responsible persons from the United Front Work Department under the provincial party committee.

#### **Economic Development Zone Established in Jiutai**

SK2511082991 Changchun JILIN RIBAO  
in Chinese 2 Oct 91 p 1

[By reporter Dong Wenjun (5516 2429 0689): "Nanshan Special Experimental Economic Development Zone Established in Jiutai City"]

[Text] As the first village-level comprehensive reform experimental unit in the countryside of Jilin Province, the Nanshan Special Experimental Economic Development Zone was formally established in Jiutai on 24 September.

The Nanshan special experimental economic development zone was established in Houxiaotun village in the southern suburbs of Jiutai. As a part of the new city proper, in line with Jiutai urban planning, this experimental zone covers a total area of 400 hectares, has good transport facilities, has an ample supply of water and power, has numerous surplus laborers, and has reached 1,000 yuan in the per-capita income. The major task of this experimental zone is to provide, based on the above foundations, experiences for promoting the in-depth development of the second-step reform of the province's rural areas and for merging urban and rural areas as an organic whole, by applying the series of reforms and experiments for building minor industrial zones in townships and towns.

To ensure the fulfillment of the above-mentioned task, the provincial Economic Structural Reform Commission has already delegated the experimental rights to the Nanshan Special Experimental Economic Development Zone, and allowed it to carry out various reform experiments within the experimental zone. Some affairs which cannot be realized throughout the province for the time being can be realized in this experimental zone first; and some reform measures which cannot be initiated for the time being can be tried out in the zone first. The Jiutai party committee and government will also provide the zone with relative preferential policies in the fields of

operation, investment, choice of projects, tax collection, and credit and loans in light of the different categories of the small zones to be built in this experimental zone, such as the "special enterprise experimental small zones," the "small zones enjoying foreign capital on favorable terms," "the township and village enterprises' industrial small zones," and the "commodity production small zones having the functions of growing, breeding, processing, storing, and marketing."

#### **Northwest Region**

##### **Gansu-Ningxia Region Raises Grain Output**

OW2311000791 Beijing XINHUA Domestic Service  
in Chinese 0355 GMT 22 Nov 91

[By reporter Feng Cheng (7458 6134)]

[Text] Lanzhou, 22 Nov (XINHUA)—After unremittingly and earnestly developing water conservancy construction projects for nine consecutive years, the "Sanxi" [Three Western] region, the first region in China to launch massive construction and development in its regional agricultural infrastructure, has changed remarkably the conditions of its agricultural infrastructure: Its capacity to fight natural disasters has considerably increased, and most peasants have begun to change the situation where they passively depended on nature for their agricultural production for generations. According to local cadres' briefings, when our reporter was collecting information there recently, the "Sanxi" region had major droughts in three separate years in the past decade, but the agricultural conditions differed greatly.

During the major drought in 1982, total grain output in the central Gansu and Ningxia's Xiji-Haiyuan-Guyuan area was 950 million kg, a reduction of 700 million kg when compared to the annual average output for the previous three years. Eighty percent of more than 7 million people in the agricultural population were short of grain.

During the major drought in 1987, total grain output was 1.45 billion kg, a reduction of a mere 350 million kg, compared the annual average output in the previous three years consisting of bumper harvests.

During the major drought in 1991 that lasted from summer through fall, there was no soaking rain for more than 80 consecutive days. The total grain output, however, is expected to reach 2.15 billion kg, only 15 million kg less than the 1990 record. The total output will be 2.2 and 1.5 times, respectively, of that of the drought years of 1982 and 1987. Eighty percent of the people will not be short of grain.

The "Sanxi" region comprises central Gansu, as represented by Dingxi, in neighboring Ningxia's Xiji-Haiyuan-Guyuan area, and the Hexi Corridor area in Gansu. It includes 47 counties with an agricultural population of 10.8 million people. Within this region, 28

counties in the Central Gansu and Ningxia's Xiji-Haiyuan-Guyuan area were on loess plateaus, hilly land, and ravines. The land was dry and barren with many natural calamities. Historically, whenever there was a major drought, it would be "a scene of utter desolation with famine refugees everywhere." Tradition had named it "the poorest, most barren land in China." At the end of 1982, the Central Committee and the State Council decided to list central Gansu, Ningxia's Xiji-Haiyuan-Guyuan area, and the Hexi Corridor area in Gansu, which consists of flat land and relatively good irrigation conditions (termed as the "Sanxi" region) as major national projects for regional agricultural development. They annually allocated 200 million yuan of special funds for the construction of its agricultural infrastructure.

In accordance with objective conditions since implementing the "Sanxi" construction project, local governments have formulated policies for basic agricultural development: "When there is water, peasants will plant in the paddy field. When it is dry, they will plant on dry farmland." The local governments have striven to basically improve production conditions and nature's profile by relying on state support, continually and unremittingly waging a hard struggle, and earnestly developing water conservancy construction projects. In the past nine years, the "Sanxi" region has developed 116 various water conservancy construction projects in areas along the banks of the Huang He and the Hexi Corridor area in Gansu. It has also constructed more than 3,000 km of major and minor irrigation canals and ditches, reclaimed 1.54 million mu of paddy fields, and improved irrigation conditions for an area of over 2 million mu. Per capita landownership in six counties in central Gansu and Ningxia's Xiji-Haiyuan-Guyuan area has reached 1 mu of paddy field, and per capita landownership in 10 counties is 0.5 mu of paddy field. More than 2.4 million people in the two said areas have solved their clothing and food problems by planting in the paddy field. The Hexi Corridor area in Gansu has increased its paddy field by more than 400,000 mu, raising its grain production by 25 percent over that of 1982.

Meanwhile, local governments have developed and built basically dry farmland, the majority of which is the "three types of farmland"—terraced fields, sandy land, and ridged and gullied farmland in dry hilly areas that has serious soil erosion, in order to increase their capacity to fight natural disasters by preserving the soil, water, and fertilizer. Since 1983, 28 counties in central Gansu and Ningxia's Xiji-Haiyuan-Guyuan area have reclaimed more than 4.5 million mu of the "three types of farmland," which is equivalent to 65 percent of the total area of the "three types of farmland" here earlier. These newly reclaimed farmlands alone could annually increase grain output by more than 150 million kg.

As of now, the total accumulated area of the paddy fields in the "Sanxi" region and the "three types of farmland" has reached 22.49 million mu, accounting for 59 percent

of the total cultivated area, and producing more than 75 percent of the total grain output.

Developing water conservancy construction projects have not only enhanced grain production, but have also considerably increased comprehensive agricultural productive capacity. In 1991, even though the "Sanxi" region had serious drought, its total agricultural output value, total rural enterprise output value, and peasants' net per capita income were obviously higher than in 1990, when there was a bumper harvest. These output and income figures were respectively two, 16, and more than four times those in 1982 before the "Sanxi" region had been established.

### Yin Kesheng Addresses Trade Union Meeting

HK2611134491 Xining Qinghai People's Radio  
Network in Mandarin 2300 GMT 21 Nov 91

[Excerpt] The ninth representative conference of Qinghai provincial Federation of Trade Unions was solemnly opened in the provincial People's Auditorium yesterday afternoon [21 November].

Leading comrades including Yin Kesheng, Tian Chengping, (Peng Zhengren), Cai Zhulin, Doba, Ma Wanli, (Hunjue Qailang), Lu Shengdao, Wu Chengzhi, Han Yingxuan, and Guan Que attended the conference.

The members of the presidium; persons in charge of Gansu and Ningxia trade union federations; and persons in charge of relevant departments, such as the Qinghai provincial Women's Federation, provincial Communist Youth League Committee, and provincial Association of Science and Technology, were seated on the rostrum.

The main items on the agenda of this conference are: Conscientiously summing up the work of the federation since its eighth representative conference; discussing and determining the guidelines and major tasks for trade unions province-wide; electing the ninth committee of the Qinghai provincial Federation of Trade Unions and the fund examination committee; uniting with and mobilizing the workers of all nationalities in the province to rely on themselves, carry out strenuous pioneering projects, and strive to accomplish Qinghai's 10-Year Program and Eighth Five-Year Plan. Present at the conference were 400 representatives from all circles throughout the province. They included workers and technicians working in the forefront of production, trade union workers, families of workers, and self-employed workers. Of all representatives, women and representatives of ethnic minorities took up 22.75 percent and 16.25 percent respectively.

(Xue Zheng), vice chairman of the provincial Federation of Trade Unions, presided over the opening session of the conference. (Gan Shouxiang), another vice chairman of the federation, gave an opening speech.

Yin Kesheng, provincial party secretary, was the first to speak at the conference. He said: Firmly implanting in



our minds the idea of relying wholeheartedly on the working class and giving full play to the role of the working class as the main force in reform and construction is the consistent guiding principle our party has been following. Party committees and governments at various levels must, in accordance with the requirements of the central authorities and the provincial party committee, further unify their thinking and enhance their understanding, and improve institutionally the mechanism which safeguards the right and role of the working class in participating in the handling of state and social affairs and guarantees the master's status of the working class and legitimate rights in enterprises and institutions. It is necessary to further extend the workers' right to supervise the work of the party and the government and expand the channels for such supervision; strengthen the flesh-and-blood ties between the party and the workers; pay attention to recruiting party members and selecting cadres from outstanding workers, institutionalize it, and carry it through.

Yin Kesheng said: It is necessary to give play to the role of the working class as the main force; enable the workers to shoulder better the historical mission of socialist modernization; constantly raise the workers' political and ideological consciousness and level of scientific, cultural, and technological understanding; strengthen the building of workers' contingents and bring up a working class with lofty ideals, high morals, good education, and good discipline; preserve forever the working class's vanguard role; and enable them to better shoulder the heavy responsibility of reform and opening up.

Yin Kesheng pointed out in his speech: Trade unions have an irreplaceable role in uniting with the masses, conducting propaganda on them, organizing them, guiding them into the reform and construction, and promoting the development of socialist democracy. Especially under the current political and economic circumstances, the work of trade unions is ever more important. The party organizations at various levels must enhance their understanding of the work of trade unions, take substantial measures to strengthen leadership over the work of trade unions, unite the workers closely around the party through the work of trade unions, and make greater contributions to the invigoration of Qinghai.

(Qiu Fugui), vice chairman of the provincial Federation of Trade Unions, delivered the work report titled "Carry Forward the Spirit of the Working Class as Masters, Make Outstanding Contributions to the Accomplishment of the 10-Year Program and Eighth Five-Year Plan," on behalf of the eighth committee of the federation. [passage omitted]

#### **Zhang Boxing Views Shaanxi Forestry Development**

HK2911104191 Xian Shaanxi People's Radio  
Network in Mandarin 0030 GMT 28 Nov 91

[Text] Zhang Boxing, provincial party secretary, said when performing on-the-spot duties in the provincial

Forestry Department: The construction of forestry brooks no wait-and-see attitude and should be carried out ahead of work in other sectors. I hope forestry workers adhere to the policy of reform and opening up, shake off all inhibitions, stride ahead, and help speed up the construction of forestry.

Zhang Boxing said: Forestry is a big industry and an important cause that concerns the survival of mankind, economic development, improvement of the people's living standards, and benefits for coming generations. Among the several major problems in the world, a very important one is the decrease of forest resources and the consequent deterioration of environment and shortage of water resources, which jeopardizes the livelihood of mankind and seriously inhibit economic growth. Our work in agriculture is an honorable and arduous job. We must not neglect it at any time and should further strengthen it.

Speaking on the goal of increasing the forest cover to 38 percent of Shaanxi Province by the year 2000, Zhang Boxing emphatically said: In developing agriculture, we must hold on to the practice of integrating leaders with the masses. The mountainous areas take up 70 to 80 percent of all the land in our province. There are many barren hills and a large amount of wasteland. Under the present difficult investment situation, it is imperative to mobilize and rely on the masses, raise funds through various channels, and make the policies flexible, for example, [words indistinct], installing scientific and technological contracting system, and delegating powers to lower levels. Also, it is imperative to invigorate agriculture through science and technology, make vigorous efforts to popularize practical techniques, and develop high-technology agriculture. In the meantime, it is also necessary to pay attention to adjusting the industrial structure and vigorously develop cash forests while developing timber forests and drought-resisting forests. If the per-head share of cash forest in our province reaches one mu, the peasants' net income will greatly increase. It is necessary to promote Shaanxi's economy by developing varied economy with the focus on forestry.

#### **Drug Traffickers Executed, Imprisoned in Xian**

HK2811114591 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1131 GMT 26 Nov 91

[Text] Xian, 26 Nov (ZHONGGUO TONGXUN SHE)—Xian executed Wang Cang and Zhang Hua, two drug traffickers, a few days ago. This is the first time in a decade the ancient city has executed drug traffickers.

It has been reported that Wang Cang and Zhang Hua had collaborated with Li Jianshe and Ji Zhiqiang since February 1989 to smuggle 700 grams of heroin from Burma to Xian. They were arrested by the police when they attempted to process 1,000 grams of opium into refined drugs.

Li Jianshe and Ji Zhiqiang, two others involved in the case, were sentenced to death with a two-year reprieve.

Wang Cang's wife, Li Hua, was sentenced to five years imprisonment for giving shelter to the offenders and taking part in drug trafficking.

### **Commentary Stresses Importance of Party Discipline**

HK2911004191 Xian SHAANXI RIBAO in Chinese  
1 Nov 91 p 1

[Commentator's Article: "Strictly Enforcing Political Discipline and Opposing 'Peaceful Evolution'"]

[Text] A few days ago, the Discipline Inspection Commission of the Shaanxi Provincial CPC Committee issued a circular calling on party organizations at all levels to strictly enforce political discipline to oppose "peaceful evolution." The international situation is presently unstable and changing rapidly, and the Western hostile forces are directing the main spearhead of their "peaceful evolution" attack at us. We should heighten our vigilance, seriously treat this matter, and never lower our guard. All Communist Party members should strengthen their political study, improve their work style, and strictly observe party political discipline. Party organizations at all levels should strengthen their ideology and political work, forge closer ties between the party and the masses, and strictly enforce political discipline.

Very often, political problems occur first in our minds. While implementing a strategy of peaceful evolution against us, hostile forces both at home and abroad have always directed their first spearhead of attack at Marxist theories. Therefore, we should strengthen the theoretical foundation of the party and use the basic Marxist theories to arm all party members. This is the most important task for upholding the party's political discipline. The reason why some persons who called themselves Communist Party members got bogged down in the quagmire of bourgeois liberalization and were unable to extricate themselves was that they had betrayed Marxism. To see through and foil the plot of peaceful evolution of the hostile forces, we should erect a great wall of steel to resist peaceful evolution in the minds of the people of the whole country. What is most important is that we should use Marxism-Leninism-Mao Zedong Thought to arm the whole party. Just as Lenin said, without theories, the party will lose its right to exist and cannot avoid, sooner or later, its political bankruptcy. Party members' conscientious observance of party discipline comes from their theoretical maturity and political steadfastness. All Communist Party members, and party-member leading cadres in particular, should strengthen their study of basic Marxist theories to increase their political and ideological consciousness and enhance their capability to distinguish between right and wrong. No matter how the political situation changes, we should keep a clear head, take a firm proletarian stand, and follow a correct political orientation. We should never compromise, yield to, or waver in front of all kinds of unhealthy trends and evil practices and political adverse current. We should maintain the true qualities of Communist Party members.

The entire history of the party has proved that maintaining a high degree of political and ideological unanimity of the whole party is a basic condition for winning in our revolution and construction. While examining whether a party organization or a party member has observed political discipline, our attention should be focused on whether their political action and political stand are in line with those of the CPC Central Committee and whether they have resolutely implemented the party's basic line. Each and every party organization and party member should keep in line with the CPC Central Committee politically and ideologically. This is a major criterion for assessing the thinking, politics and discipline of our party organizations and party members. Anyone who violates this will be punished according to party discipline.

To strictly enforce party political discipline, party committees and discipline inspection commissions at all levels should strengthen supervision over all party members, and party-member leading cadres in particular. There are various kinds of supervision. But the most important is political supervision. We should examine whether they can persist in the party line, guiding principle and policies, and whether they can keep in line with the CPC Central Committee politically. We should pay attention to examining the political inclination, attitude, and stand of our party-member cadres toward major issues of discipline. We should never admit those elements which are not firm politically into the party, let alone promote them to leading bodies at any level. Neither political opponents nor dissidents are tolerated inside our militant Communist Party. Those who refuse to implement the party line, guiding principle, and policy or comply in public but oppose in private, and persist in taking a opposition stand; those who stubbornly stick to the stand of bourgeois liberalization and oppose the four cardinal principles; those who violate political discipline, and those who show no sign of repentance despite education, should be resolutely expelled from the party. We should clear them out without considering their number. We should never appease or yield to them, or leave evil unchecked.

Political discipline has occupied a position of primary importance in party discipline. Party committees and discipline inspection commissions at all levels should be good at observing and handling problems politically. We should treat the matter of investigating and handling cases involving violation of political discipline as an essential task and attach importance to it. Once we discover such cases, we should conscientiously examine and seriously handle them to ensure the political purity and advanced character of our party. All Communist Party members, and party-member leading cadres in particular, should conscientiously stand the tests of ruling the country, of reform and opening up, of developing commodity economy, and of opposing "peaceful evolution." Whatever happens, they should adhere to the party's stand, political program, and political line. It is necessary to further carry forward inner-party democracy and enforce the party discipline strictly to promote

a lively and vivid political atmosphere and maintain a high degree of party political unity. It is necessary to persist in democratic centralism and actively carry out ideological struggle to overcome various negative phenomena. It is necessary to stick to the political orientation, so that the whole party can unify their thinking and actions to accomplish the great historical mission of building socialism with Chinese characteristics.

#### **Song Hanliang on Improving State-Run Enterprises**

OW1511134191 Urumqi XINJIANG RIBAO in Chinese  
28 Oct 91 pp 1-2

[“Excerpts of Speech by Song Hanliang at the Conclusion of the (Enlarged) Session of the Standing Committee of the Xinjiang Autonomous Regional Party Committee on (21 October 1991)”]

#### **[Text] Comrades:**

The main purpose of this (enlarged) session of the Standing Committee is to publicize and implement the guidelines laid down by the recent central work conference and to study in detail the question of further revitalizing state-run large and medium-sized enterprises in the autonomous region. At the beginning of the session we conveyed all the important speeches made by Comrades Jiang Zemin and Li Peng, and Comrade Tomur Dawamat made a speech on behalf of the autonomous region party committee on how to invigorate the autonomous region's large and medium-sized enterprises and on its current economic situation. The autonomous regional people's government has also submitted its policy measures for invigorating the large and medium-sized enterprises to the session for everyone to discuss.

To ensure the session's success, comrades from the Standing Committee of the regional party committee, the regional Advisory Commission, the regional people's congress, and the regional committee of the Chinese People's Political Consultative Conference got together and spent two days seriously studying and discussing the of the central work conference's guidelines. After that, the principal leading party and government comrades of the autonomous region held a discussion meeting with comrades of the Comprehensive Economic Development, Textile, Leather, Foodstuff, Iron and Steel, Machinery, Electronic, and Commodity Circulation Departments, as well as the directors (managers) of large and medium-sized enterprises, to listen to their opinions. Although the session has been rather short, the topic under discussion was very specific, and our comrades earnestly tried to grasp the guidelines of the central work conference and enthusiastically discussed the question of further invigorating state-run large and medium-sized enterprises in the autonomous region. By airing views freely in order to exchange ideas, all have enhanced their understanding and have unified their thinking with regard to many major issues and have also

made many good suggestions and proposals in light of actual conditions in the autonomous region. The session has been a success.

The session is closing today, and I would like to make a few suggestions:

#### **I. It Is Necessary To Fully Understand the Importance and Urgency of Revitalizing State-Run Large and Medium-Sized Enterprises**

Revitalizing state-run large and medium-sized enterprises is not only an economic question but also a political one. It should be regarded as an important matter of upholding the socialist road, and party committees and governments at all levels should attach special importance to this matter and make serious efforts to grasp it well.

State-run large and medium-sized enterprises form the pillar of the national economy and are a main source of national revenue. In the autonomous region there are currently 123 state-run large and medium-sized enterprises practicing their own system of independent accounting. Although they make up only 2.9 percent of the total number of enterprises, their fixed assets account for over 60 percent, their industrial output value accounts for 55.1 percent, and the taxes and profits they deliver to the state make up 62.1 percent. This shows that state-run large and medium-sized enterprises play a dominant role in the nation's economy as a whole. Their condition can directly affect our economic strength, social stability, and people's living standards. State-run large and medium-sized enterprises are the valuable wealth of our country and people as well as the principal material foundation of the socialist system. Economically speaking, the superiority of the socialist system should be demonstrated by the increasing vitality and efficiency of state-run large and medium-sized enterprises. Only in this way can we consolidate the dominant role of the public ownership economy, increase the confidence of the people of all nationalities in following the socialist road, and make ourselves forever invincible.

State-run large and medium-sized enterprises play the most important role in realizing the second-step strategic objective set by the Central Committee, and in fulfilling the autonomous region's Eighth Five-Year Plan and 10-Year Program. State-run large and medium-sized enterprises represent the great achievement of our socialist construction over the past 40 years. They have made great contributions to our economic construction in the past and will certainly make even more important contributions to our economic construction in the days ahead. If we are to more than quadruple the gross national product of 1980 by the end of this century, by building grain, cotton, sugar-bearing crops, and livestock production bases; petroleum and petrochemical bases; and light industrial, textile, and food processing bases of varying sizes, as well as reserve bases for the production of gold, nonferrous metals, salt, and coal, we must, in accordance with the financial and material strength of



the state and the autonomous region, build a number of modern enterprises in a planned and systematic way; but most importantly, we must rely on our existing enterprises, particularly on the state-run large and medium-sized enterprises, for these are the fundamental and practical strength supporting our continued advance.

State-run large and medium-sized enterprises are where workers, particularly industrial workers, are most concentrated. The working class serves as not only the main force for economic construction but also the pillar for maintaining social and political stability. Historical experience has repeatedly proven that the working class is very firm in their political stand, knows what to love and what to hate, is most capable of keeping the whole situation in mind, and most obedient to the instructions of the party. The current international situation is complex, ever-changing, and very grim. Under these circumstances, it is of great political significance to make the working class understand that they have a responsibility as masters of their country to revitalize state-run large and medium-sized enterprises. Therefore, we must not only understand the importance of revitalizing state-run large and medium-sized enterprises from an economic point of view but also understand, more importantly, the importance of this work by proceeding from our strategic purpose of averting peaceful evolution, consolidating and developing the socialist system, and preventing our party and state from changing color.

We must have a sense of urgency and have confidence in revitalizing the autonomous region's state-run large and medium-sized enterprises. Our large and medium-sized enterprises have to cope with many difficulties and problems, but this is only one side. On the other side, our large and medium-sized enterprises have many favorable conditions for improving themselves. Among the large and medium-sized enterprises in the autonomous region, petroleum, petrochemical, power generating, and non-ferrous metals enterprises are the main ones belonging to the central authorities. These are the key industries that are supported by the state industrial policy. Along with petroleum prospecting and exploitation, and the development of the petrochemical industry, these enterprises will not only grow rapidly but will also stimulate the development of related local industries and the economy of the autonomous region as a whole. Now that the Xinjiang Production and Construction Corps has been put under direct state control, it will continue to enjoy the support of the autonomous region. In addition, it will enjoy direct support and assistance from the central authorities, and the various ministries and commissions of the state. These are, no doubt, very favorable conditions for speeding up the corps' economic construction. We have abundant agricultural and livestock products. We are also quite well-off in our power and coal supply, so our light, textile, and food processing industries do not have to worry about raw materials. Petroleum prospecting and exploitation, and the development of the petrochemical industry, have created a good opportunity for the development of machinery and electrical products, manufacturing enterprises, and other trades. At the

same time, the Northern Xinjiang Railway will officially link up with the international railway through the transport system by next September. As long as we follow the correct policy and work efficiently, we will be able to revitalize the region's large and medium-sized enterprises. We must be confident of this.

## **II. It Is Necessary To Improve the External Conditions Earnestly In Order To Create a Good External Environment for State-Run Large and Medium-Sized Enterprises**

The autonomous region's large and medium-sized enterprises are faced with many difficulties and problems. In his report, Comrade Tomur Dawamat made a detailed analysis of them, and I agree entirely with this analysis. As there are external and internal reasons for the emergence of these problems, we must solve them by improving the internal and external conditions. Party and government leaders at all levels and economic administrative departments should strive to help enterprises improve their external conditions and other aspects of work, and to create a good external environment for enterprises. On the other hand, the enterprises should strive to do their internal work well and to tap their potential so as to enhance their vitality.

As far as the external conditions are concerned, it is first necessary to tighten overall control and to make correct policy decisions. Here the process includes drawing up a correct strategy for economic development; making rational arrangements for the development of productive forces; and making taxation, pricing, and interest rate policies that are compatible with the existing economic structure and reflecting the objective laws. Efforts should be made to gradually straighten out the planning system, pricing system, financial and taxation system, and the monetary system. If we make mistakes in our overall policy decision, for example, if in our plans we arrange overlapping construction and encourage the building of "small-scale but all-embracing" projects or the building of "small-scale" projects in "scattered areas," it will be very difficult for the enterprises to invigorate themselves or to increase their efficiency.

Second, government departments and economic administrative departments at all levels should truly delegate decisionmaking power to enterprises. During an investigation and study of large and medium-sized enterprises, we discovered that the 1 August Iron and Steel Mill had been well managed. An important reason for this is that government interference has been reduced since the autonomous region adopted a policy allowing enterprises to conclude input and output contracts. This policy has given the mill more power for independent management, improved its internal operating mechanism, and revitalized the old mill. The mill is the only large or medium-sized enterprise in the autonomous region that joined the ranks of the country's 500 advanced enterprises. Of the 50 large and medium-sized enterprises in the region, this mill ranks first in delivering taxes and profits to the national treasury. Therefore, giving enterprises the right

to operate independently is the key to revitalizing them and to establishing an effective mechanism. At the same time, enterprises should also be given decision power in hiring workers, distributing income, administering cadres, and setting up internal organs. We should, as soon as possible, strive to turn state-run large and medium-sized enterprises into socialist commodity producers and dealers having full authority for management and for their own profits and losses, and able to restrict and develop themselves.

Third, efforts should be made to enhance the proportion of enterprises' circulating assets and to step their technical transformation by reducing taxes, allowing enterprises to retain a certain proportion of profits, and increasing input for technical transformation. There is a sharp contradiction between the needs for revitalizing large and medium-sized enterprises and the availability of funds. We can only do work in this respect in proportion to our capacity. In supporting the effort to revitalize state-run large and medium-sized enterprises, we should make overall plans, deal with each case differently, provide guidance according to different categories, pay special attention to the key enterprises, and see to it that the work of revitalizing enterprises is carried out in stages and in groups. We are prepared to support, as the first group of enterprises, the small number of large and medium-sized enterprises that can give full play to our advantages in resources, have better prospects for development, serve as an example, and are well managed internally. In dealing with the majority of large and medium-sized enterprises, we should seriously carry out the policy and measures discussed and adopted at this session, improve the various aspects of the second-round contracts for enterprise management, and strive to revitalize the enterprises by improving the operating mechanism. In dealing with the small number of enterprises that have no prospects for development, we must apply the policy of shutting them down, suspending their operation, amalgamating them with other enterprises, or switching them to the manufacture of other products.

Fourth, efforts should be made to break debt chains, as a step to make a breakthrough in invigorating large and medium state-owned enterprises. In the last two months, the autonomous region has achieved initial success in dealing with the debt problem in accordance with State Council arrangements. We should take a further step to enhance the success. In particular, it is necessary to accelerate the clearing of debts generated by investment in fixed assets projects, and to reduce the amount of funds tied up by manufactured goods in hand. In order to prevent new debts, we should stop up loopholes in capital construction funds. When starting a new construction projects, we should prepare sufficient construction funds. In addition, we should also take into account the interests of loans, rising prices of raw materials, and the necessary circulating funds, and thus lay a good foundation for an enterprise to operate normally after its completion.

Fifth, it is necessary to seriously correct the malpractices of indiscriminate collection of fees and fines and indiscriminate apportionment of expenses, so as to reduce the burden on enterprises. While such malpractices are very conspicuous at present, we must organize a task force and adopt resolute measures to correct them as soon as possible to reduce the burden on enterprises, in conjunction with the efforts to correct departmental irregularities. At the same time, we should discontinue unnecessary inspections and appraisals of enterprises, so as to enable them to concentrate on production.

Sixth, efforts should be made to improve service and to solve problems for enterprises. The planning committee, the economic committee, and the Finance, Banking, Taxation, Commodity Prices, Industry and Commerce, Labor, Personnel, Auditing, Supervision, Discipline Inspection, Public Security, and Judiciary Departments should cooperate with each other in providing better service and assistance to enterprises, not to create difficulties for enterprises. Everyone should help enterprises improve. By providing service, we mean delegating more power to enterprises and reducing administrative intervention in them. However, this does not mean that we no longer have anything to do with them. Instead, we should administer enterprises in the course of service. In order to do so, we should stress good working methods, improve the means of service, and raise service standards.

Creating a good external environment for enterprises involves both hardware and software, and both overall policy decisions and specific services. Its accomplishment requires the efforts of all forces in the society and coordinated action by all departments, and it cannot be done by any department or bureau alone. From now on, all reform policies and measures adopted by party committees, governments, and departments at various levels must consider the needs of large and medium state-owned enterprises and display the spirit of serving large and medium state-owned enterprises. In short, the work of creating a good external environment for enterprises should be done simultaneously by everyone concerned. We should take action to improve constantly and gradually create an urban, socialized service network to improve the situation of large and medium state-owned enterprises.

### III. The Key To Running Large and Medium-Sized State-Owned Enterprises Well Lies in Improving their Internal Management

Marxist dialectics tells us that external causes are the conditions for change while internal causes are the basis for change, and external causes can yield their effects only through internal causes. In ensuring the successful management of large and medium state-owned enterprises, external conditions are very important and should not be overlooked, but the key to success lies in improving the internal management of those enterprises. Among enterprises with the same conditions, some are run better than others, and the difference is mainly caused by the enterprises themselves. Good external

conditions can yield effect only through the internal work of enterprises. For this reason, all large and medium enterprises must rely on themselves to enhance their ability and do their work well.

On the criteria for running large and medium-sized state-owned enterprises well, Comrade Li Peng stressed six points in his report—namely, the ability to produce products of high competitive power, the ability to develop technology further, the ability to increase assets, the ability to cope with market changes, the ability to form a united and pioneering leading body, and the ability to achieve unity among workers and staff members. These are high standards and strict demands. In order to acquire the "six abilities," it is necessary to do a great deal of arduous and meticulous work, have some major concepts, and take major actions. Some enterprises in this autonomous region, such as the Bayi Iron and Steel Plant, have had great success in this regard. Now that they have achieved success, naturally other enterprises should be able to do so as well. The key to success lies in whether or not the cadres have the resolve to work hard, a pioneering objective, and a feasible plan. The fundamental way to ensure good internal work in enterprises is to further deepen reform and to open even wider to the outside world.

We should keep a good grasp on the operation mechanism of enterprises. In recent years, enterprises in Xinjiang made certain progress in internal reform. But development has been uneven, and progress in some enterprises was very slow. The operation mechanism in these enterprises has been unable to shake off the product-economy model of the past, and has failed to adapt to the development of a commodity economy. The enterprises lack vitality. At present, we must step up reform, and make serious efforts to reform the internal operation of enterprises, such as management decision-making, the organizational setup, internal distribution, and hiring of workers, by focusing on changing the operation mechanism of enterprises. We must establish the mechanisms for operation, motivation, self-restraint, and supervision in enterprises so that they can gradually transform from being the subsidiaries of government to become relatively independent commodity producers and dealers.

We should strengthen the internal management of enterprises. In our study, we noticed that enterprises whose products are competitive and whose economic efficiency is good are all well run. On the contrary, the management of enterprises with low economic efficiency and whose products are uncompetitive is always in a mess. Since the introduction of the factory director responsibility system, management in many enterprises has slackened, and the substitution of administration with contracting out has occurred. As a result, the technical quality of workers has fallen, facilities and management have become outdated, and organizational discipline lax. Therefore, the pressing task of the moment is to strengthen business management. All enterprises must

strengthen their management because this is the foundation for ensuring the success of businesses. The leaders of enterprises must have the courage to enforce strict discipline and impose strict management in the factories, and should not try to ignore problems and defer responsibility to higher authorities.

We must speed up technical upgrading in enterprises. The prerequisite for developing technologies and products is to carry out technical upgrading constantly in enterprises. The pace of technical upgrading in a majority of the enterprises in Xinjiang has been very slow. Some of the technical upgrading undertaken was low-standard quantitative expansion, and the results were very poor. Henceforth, in order to improve the variety, grade, quality, and standard of products, we must increase not only inputs for technical upgrading but also begin at a higher level by introducing advanced facilities and technologies from at home and abroad. Technical upgrading is related to the fate of enterprises. On this matter, we must not be complacent with the present state of affairs. Instead, we must possess a sense of urgency, and treat the matter as an important issue to be given priority consideration by the leaders of enterprises.

We should actively expand horizontal ties among enterprises and broaden opening to the outside world. Experience shows that Xinjiang enterprises, which have linked up with brand-name factories in the inland, are able to achieve far better success. Such practice is not common, however. When this meeting is over, we hope that the large and medium-sized state enterprises will take the lead in this regard so that the expansion of horizontal ties will make new progress. Even within the autonomous region itself, we must advocate mutual reliance and association of enterprises so that they can complement each other and grow together. We must open up wider to the outside world, and continue to implement the policies of "opening up in all directions, favoring the west, linking up with the inland, and introducing capital and technologies from outside." Localities with suitable conditions must actively set up foreign-invested enterprises; and introduce capital, facilities, technologies, and advanced management experience from abroad. In particular, we must make use of the marketing networks of foreign businessmen to enhance our capacity to rely on ourselves and our competitiveness in the international market. During the process of economic and technical cooperation with foreign countries, we must not try to seek quick results. Instead we should introduce new production lines or cooperation in the workshops on a one-at-a-time basis. In this manner, our investment will be small but the results will be quick and efficiency high.

#### **IV. Correctly Handle the Enterprises' Relationship With the Party and Government, and Further Perfect Their Internal Leadership Structure**

There has been much controversy on this issue for many years, and ideological understanding is not consistent enough. At the central work conference, Comrades Jiang



Zemin and Li Peng again stressed these words: Fully exert the core political role of party organizations, uphold and perfect the factory director responsibility system, and rely wholeheartedly on the working class. This is a generalization of the relationship between state enterprises and the party and government as well as their leadership structure. It is also a summation of the experience in China during the past four decades, in particular during the last 10 years, and quite accurately reflects the nature and characteristics of our socialist enterprises. Party committees and governments at all levels as well as party, government, and workers' leaders in the enterprises must fully understand these words, and implement them thoroughly.

The stability and growth of enterprises is inseparable from the political core role of party organizations. The enterprise is an economic organization but it must uphold a socialist orientation. It must not only produce material goods but also cultivate builders of socialism who are idealistic, moral, educated, and disciplined. Enterprises are also grass-roots social units, and the foundation of a modern society. They are the important positions during our efforts to resist peaceful evolution and undertake socialist modernization. Regardless of whether it is resistance against peaceful evolution, promotion of economic development, or reform and opening to the outside world, it is imperative that we fully exert the political core role of party organizations. The political core role of enterprise party organizations is shaped over a long period of time, and is determined by the ruling status of the party. Enterprise party organizations are grass-roots organizations of the party within enterprises. If they fail to exert the core political role, the party's leadership over enterprises will fall through. At all times, every party member, especially leading cadres of the party, must not waver on the party's core political status. It is imperative for enterprise party organizations to intensify party building further; strengthen the grass-roots organizations; and fully exert the bastion role of party organizations and the exemplary vanguard role of communists in order to ensure that the line, principles, and policies of the party are implemented in the enterprises.

Implementation of the factory director responsibility system is an objective need in social production. In a modern enterprise, the division of labor is meticulous, production continuous, technical requirement stringent, and coordination complicated. Therefore, it is necessary to establish a production and operation management system that is unified, strong, and efficient. The only way to meet this requirement is to implement the factory director responsibility system. Upholding and refining the factory director responsibility system and establishing the central position of the factory director in production control, management, and technical development will help develop and vitalize an enterprise, and constantly improve its economic efficiency. Therefore, it is imperative that the factory director fully exercises his authority, and to ensure that the "Enterprise Law" is truly implemented.

The working class are the masters of enterprises. Relying wholeheartedly on the working class is determined by the nature of our socialist enterprises. The vitality of enterprises is derived from the enthusiasm and creativity of the vast numbers of workers. Without the enthusiasm and creativity of the workers and people, and their spirit of being masters of their own affairs, all else is empty talk. Experience in some enterprises has showed that the people must be "lively" before the enterprises can become vigorous. Therefore, we must strengthen democratic management by the workers, and rely wholeheartedly on the working class to run the enterprises. We must assure the position and rights of workers as the masters of enterprises. At the same time, we must enhance the sense of responsibility among the workers for being masters of their own affairs.

In most of Xinjiang's enterprises, the relations between party organizations and industrial management are good. Plant directors and party secretaries cooperate with each other and work together in harmony. However, in a few enterprises, the plant directors and the party secretaries are not doing enough in coordinating with each other in their work. So, some measures should be taken to solve this problem. At present, there is a conspicuous problem concerning the management of the middle-level administrative cadres of enterprises. The plant director has the authority to appoint or remove a middle-level administrative cadre in the enterprise. When he exercises this authority, the appointment or removal is subject to collective discussion by party and administrative leaders. This procedure is designed to ensure even better work in cadre appointments and removals, not a change in the authority of the plant director. In view of Xinjiang's reality, and the experience of interior and coastal provinces and municipalities, the collective discussion can be conducted better at enlarged party committee meetings chaired by the party committee secretary. Such practices will integrate the plant director's authority in personnel affairs and the party's authority in cadre management, and will ensure that the plant director exercises his authority in personnel affairs properly. All localities, organizations, and enterprises should seriously implement the "circular on further strengthening party building in enterprises" issued by the autonomous regional party committee, which contains clear and definite stipulations on the collective discussion. An enterprise is a whole in which the party committee and the plant director are closely correlated in their work. Despite their different responsibilities and work, they share the same objectives. For this reason, division of labor does not mean division of the enterprise. We should not strictly mind our own business nor sing solo, and still less should we put on a rival show. The plant director and the party committee secretary should work as one, form a strong leadership core, and help each other to run the enterprise well. As enterprises are having many difficulties at present, it is even more necessary for us to make joint efforts to do the work well. So long as we take the party's stand and display party spirit, we will be

able to form a strong leadership core. We should seriously sum up and spread the experience of the enterprises of which the plant directors and party committee secretaries closely cooperate with each other. In order to prevent enterprises from doing poor work, organizational measures should be taken against any enterprises in which the plant directors and the party committee secretaries have for a long time failed to cooperate with each other.

#### **V. Strengthen Ideological and Political Work and Give Play to the Party's Political Superiority in Enterprises**

Ideological and political work is the lifeblood of economic work and all other work. It is a superior political strength of the party. Under the current complex situation, and with our tasks so heavy at present, vigorously strengthening ideological and political work in enterprises is of especially great significance. Party committees and enterprise party organizations at various levels should uphold the four cardinal principles, uphold party leadership over enterprises, and persistently keep to a socialist orientation in the development of enterprises. It is necessary to train a new generation of socialists, oppose peaceful evolution, and fully understand the extreme importance of ideological and political work. It is necessary to inherit and carry forward the fine traditions of the party; constantly strengthen and improve ideological and political work in enterprises; ensure the implementation of the party's principles, policies, and measures; and guarantee accomplishing all tasks of enterprises.

We should work under the guidance of Comrade Jiang Zemin's "1 July" speech. While carrying out well education on the basic national conditions and the basic line, we should pay attention to carrying out a widespread and deep-going education by positive examples in patriotism, collectivism, and socialism, so that the vast number of workers and staff members will have a firmer faith in the party, a firmer conviction in taking the socialist road, and a greater ability in distinguishing and resisting erroneous thinking; and will take an active part in the struggle against peaceful evolution and in construction and reform with a sense of responsibility as masters of their own affairs. We must have a high degree of a sense of political responsibility; do effective ideological and political work among the broad masses of party members, cadres, workers, and staff members of all nationalities; ensure stability among the workers and staff members; and contribute to political and social stability in the autonomous region.

Ideological and political work in enterprises should focus on economic construction. It should serve to improve our enterprises and achieve the second-step strategic objectives. The working conference of the CPC Central Committee and the enlarged session of the Xinjiang autonomous regional party committee Standing Committee have set forth clear-cut guidelines and a whole series of policies and measures for improving large and

medium-sized state enterprises. While intensifying ideological and political work in enterprises, we should also carry out these measures and work hard so that the results achieved by ideological and political work will become noticeable in the enterprises' greater vitality and higher production growth.

We should do ideological and political work along with managing economic affairs, and intensify ideological and political work on the production front. Our workers' main responsibilities in enterprises are those concerning production and operation. Many of their feelings—delight, anger, sorrow, and joy, for example—take place during production and operation. The harmony and conflict of interests among the state, enterprise, and workers; most of the problems concerning production quotas, wages, bonuses, housing assignments, and welfare services; and disputes and friction between cadres and workers, or among workers themselves, are directly or indirectly related to production and operation. Thus, only when our ideological and political work has infiltrated into all aspects—production, operation, management, service, and distribution—and into all processes of restructuring and reinvigorating our enterprises can we understand our workers' mental state, and make our ideological and political work more relevant and effective. The main purpose of carrying out ideological and political work in enterprises is to arouse workers' wisdom, initiative, and creativity so that they will fulfill all production assignments and achieve the objectives set by their enterprises. Without this objective, our enterprises' ideological and political work would have no support, it could not possibly be carried out effectively, and it would look like a castle in the air, or a rootless tree.

With specific objectives in mind, we should firmly educate workers on China's political and economic situation and the world situation, and clearly explain to the workers the situation confronting our country, autonomous region, and enterprises; what we have to do; and how we are going to accomplish the assignments, so that we can guide cadres and workers of all nationalities in our enterprises to handle their relations with the state and enterprises correctly, so that, with greater awareness of being the masters of their enterprises, they will work hard to produce, deal with difficult times in their enterprises, and make greater contributions to rejuvenating their enterprises, the autonomous region, and the state.

#### **VI. The Several Economic Projects We Must Accomplish Today While Improving Large and Medium-Size State Enterprises**

While improving large and medium-sized state enterprises, we should pay attention to the following economic projects:

First, we must make a success of developing border trade this winter and next spring. Although Xinjiang is geographically favorable for developing trade with the Soviet Union and we had an early start, the development has been sluggish and our fraternal provinces and regions

are far ahead of us in this regard. We must change this situation. Party committees and governments at all levels and all relevant authorities must be fully aware of the situation, have a consensus of views, and take advantage of the current opportunities to promote border trade this winter and next spring. These several months used to be a slack trade season, but we can turn it into a busy trade season. We should permit the 32 border counties and cities, and the relevant industrial, commercial, supply and marketing, and food departments, to conduct border trade. Since we are going to sponsor two border trade fairs with the Soviet Union—one in spring and the other in fall—we should start preparing now.

Second, we should speed up economic growth in our counties. A higher economic growth in our counties is greatly significant for revitalizing Xinjiang's economic development. Currently, the economic development of our counties is beset with difficulties. The main reason lies in the undeveloped nature of our county industries and township enterprises. Party committees and governments at all levels must consider developing county industries and township enterprises highly important work in revitalizing the economic development of our counties. To develop their industry, our counties must earnestly implement the guidelines set forth by the regional people's government at the meeting held in Usu County last August to discuss the development of county industries. Proceeding from their practical needs, our counties should actively develop some profitable and highly competitive goods, and consider that a start to help themselves and their people become more affluent. To develop township enterprises, we should emulate the successful experiences gained by people inside and outside Xinjiang, establish our footing at a higher point, and work hard to upgrade our technology and develop new products, so that our products can be more competitive on the market.

To give our counties the support they need for their economic development, the regional government will allot a substantial amount of cotton to all counties and cities each year, beginning this year. While these counties and cities may do whatever they want with the cotton, they should use it mainly for economic cooperation with other areas, so that they can bring in the capital they need to revitalize their economy. We plan to try out this project for an initial three-year period. Moreover, areas with the resources should, on the premise of ensuring rational use of their mineral resources, permit various counties and cities to develop their mineral resources so that they can become more self-sufficient financially. This plan, along with the policy of permitting 32 border counties and cities to develop border economy through trade with the USSR, are some of the several effective measures which the region will take to help these places develop their economy. When the work in these sectors has been accomplished, the economic outlook of our counties will certainly experience a significant change.

Third, we should revitalize distribution and broaden the market inside and outside Xinjiang. Xinjiang's production has been in a slump in the past couple of years. Unsold goods have continued to pile up, and profits have continued to drop. While there are many reasons for this problem, one important cause lies in the incompatibility between distribution and economic development. Thus, while we deal with problems of large and medium-sized enterprises, we must improve the large and medium-sized distribution enterprises as well as those in the industrial sector. We must help these enterprises replace their operating mechanisms so that they can become more vital by operating independently, restructuring and developing themselves, and holding themselves responsible for their own profits and losses, instead of having everything taken care of by the state as before.

To improve distribution, the most important requirement is to broaden the market. From now on, while we should continue to develop the market in cities in Xinjiang, we should also make special efforts to develop the market in Xinjiang's farming and pastoral areas, the market in medium-sized and small cities in China's hinterland, and the market in the USSR and central Asia. In developing these markets, departments in charge of commercial affairs, supply and marketing, and economic relations and trade (including regional and border trade) should serve as the main channels. Giving full scope to their respective strengths, our commercial and supply and marketing departments should work together in developing their market in farming and pastoral areas. We should also use tax as an incentive to encourage commercial and supply and marketing departments to give special emphasis to trade in farming and pastoral areas. Large-scale trade [da mao 1129 6319] as well as regional and border trade should follow the path of integrating industry and trade, and integrating commerce and trade, and provide the services needed by 32 border counties and the relevant industrial, commercial, supply and marketing, and food departments in developing their market in central Asia. As for the market in China's hinterland, we used to pay far too much attention to large cities rather than to medium-sized and small cities. From now on, we should organize various trades and professions to explore the market in medium-sized and small cities, which have enormous potential. Correct guidance is the key to broadening the sphere of distribution. In this sphere, top priority should be given to serving industrial and agricultural production, macroscopic economic development in Xinjiang, and consumers. This being the case, we should stress comprehensive economic efficiency.

Fourth, we should improve our financial situation by exploring more resources and cutting expenditures. Xinjiang's current financial situation is quite grave. The fundamental way to improve our financial situation lies in higher economic growth and economic returns. Thus, we must earnestly intensify tax collection and control, firmly plug all loopholes, make every effort to collect all collectable taxes, and strive to fulfil or overfulfil this



year's tax quotas. We should continue to carry forward the spirit of plain living and building our country through diligence and thrift, and continue with the drive to increase production and revenue, and conserve resources and expenditure. By no means should we spend money wastefully while complaining about financial difficulties. We must proceed with our projects according to our capability, spend what we can make, and undertake what we can afford. Principal responsible comrades of all party and government departments must attach great importance to fiscal affairs, hear financial reports regularly, discuss financial problems at regular intervals, and give financial departments the support they need in exercising their supervisory and administrative functions so that they can do their jobs well and produce good results.

#### VII. The Several Requirements Set for Leading Cadres

First, leading cadres must earnestly convey and implement the guidelines set by the central work conference and this conference. These two conferences are dedicated primarily to studying how to improve large and medium-sized enterprises. Most of the current problems with large and medium-sized enterprises are problems accumulated over a long period of time, and solving them is a time-consuming, long-term endeavor. While we must have a sense of urgency in improving large and medium-sized enterprises, we must have long-range plans which must be carried out firmly with unremitting efforts. We must consider improving large and medium-sized enterprises an important assignment during the Eighth Five-Year Plan, or even the period beyond that.

Thanks to your views during the discussion and study, this meeting has come up with some main guidelines, and some policies and measures for improving large and medium-size enterprises. However, we still have to do a lot of hard and meticulous work in order to implement these policies and measures in actual work, solve real problems, and improve large and medium-sized enterprises. Thus, after you return to your respective posts, you should firmly implement these measures according to the situation in your respective areas.

In order to implement the guidelines set by the central work conference and this conference, leading authorities must change their leadership style, conduct more investigation and study among the masses in grass-roots units, and extensively listen to their views. We are from the masses, and so we should work among the masses. We should implement the lines and general and specific policies of the central authorities, as well as the policies and measures of the regional authorities, according to the actual situations in our respective areas and departments, do our work creatively, study all problems one by one, and accomplish all projects one by one so that our large and medium-sized enterprises will improve as quickly as possible.

Second, we should be firm politically and not lose our bearings under the current situation. The world situation

confronting us today is a grave one. Besides, the burdens on our shoulders are heavy and the problems confronting us are numerous during the course of achieving the second-step strategic objective. Such a situation is a severe challenge to each and every leading cadre among us. Thus, we must be firm politically, maintain a high degree of unity with the Central Committee politically and ideologically and in terms of actions, and reaffirm our conviction and confidence that our cause will triumph. We must not waver, retreat, nor lose our bearings. Comrade Jiang Zemin pointed out: Although we are confronting many problems and difficulties, adversity provides us with a good opportunity to temper us and make us better people.

Third, we must earnestly study Marxism-Leninism-Mao Zedong Thought so that we will be good at observing and handling problems politically. Marxism-Leninism-Mao Zedong Thought is our political telescope and microscope. We must seriously study Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's works. We must arm our minds with basic Marxist theory; draw a line of distinction between Marxism and anti-Marxism, between socialism and capitalism, and between scientific socialism and democratic socialism; raise our consciousness of carrying out the party's basic lines and opposing peaceful evolution; heighten our awareness of policies; and improve our ability to handle complex situations.

We should learn how to observe and handle problems politically. This is a strict requirement which the Central Committee has set for leading cadres, and it also show it cares about us politically. Since economic construction is our party's central task, all other tasks must be subordinated to this task, serve it, and guarantee its fulfillment. Achieving the second-step and third-step strategic objectives of economic development is the fundamental interest and common wish of the whole party and the whole nation, and it is essential for consolidating the socialist system and manifesting its superiority. Thus, this is not merely an economic issue, it is also the most important political issue. On the other hand, in order to expedite our economic construction, we must follow a correct political course, have a united and stable environment, coordinate the work of all quarters and arouse their enthusiasm, and act promptly and decisively in removing all factors that give rise to instability. Without political conditions and political guarantees, our society would be unstable, and there would be no economic growth to speak of.

In the final analysis, observing and handling problems politically means doing so from the standpoint of the working class. As leading cadres of a socialist state led by the CPC, we should not only be actual doers, we should also act consciously as Marxist statesmen who will firmly observe and handle problems from the standpoint of the working class.

Fourth, we must perform our duties honestly and work hard for the interests of the people. Generally speaking,

our party is good, and so are the majority of party organizations and party members. Unfortunately, the phenomena of corruption and leading cadres being divorced from the masses do exist in our party in one way or another. We must therefore make earnest efforts to build stronger party organizations. As leading cadres, we must bear firmly in mind the aim of our party, carry out arduous struggle, perform our duties honestly, maintain close ties with the masses, be concerned with the people's plight, place the people's interests first, and serve the people wholeheartedly. We must firmly fight all types of corruption and live up to our lofty image of being the "people's public servants." As for combating corruption, we can no longer do so simply by making routine calls or shouting slogans, all party and government organizations must proceed from the actual state of all localities and departments, and firmly and persistently deal with several issues about corruption and unethical conduct until they are resolved, so that the vast number of party members, cadres, and masses can see our determination and actions, and have greater confidence in us.

Comrades, the assignments ahead of us are formidable. We must earnestly implement the guidelines set forth by the central work conference and this conference; unite as one; work hard; carry out all assignments earnestly; and, under the leadership of the Central Committee with Comrade Jiang Zemin as the core, march firmly toward our goals!

### Views Rural Ideological Education

OW2311075091 Urumqi Xinjiang Television Network  
in Mandarin 1655 GMT 22 Nov 91

[By reporter Wang Zheng; from the "Xinjiang News" program]

[Text] Today, the autonomous regional party committee held a forum on the second phase of rural socialist ideological education to study and arrange the key tasks during this phase, so as to conduct socialist ideological education in the region's rural areas in an even more down-to-earth and effective manner.

At the forum, Janabil, deputy secretary of the regional party committee, delivered a speech entitled: "Strengthen Leadership, Readjust Arrangements, and Deepen Rural Socialist Ideological Education." Summarizing the results of the previous phase of rural socialist ideological education, Janabil spoke in general about three aspects:

1. Leaders at various levels had attached importance to the work. Party committees of all prefectures, autonomous prefectures, cities, and counties in Xinjiang had carefully planned and specifically arranged rural socialist ideological education in light of the actual situation in their respective localities.

2. Attention was devoted to the work groups' self-improvement and personnel training. All localities had

assigned a number of comrades with sound ideology, persistent work style, and good understanding of the party's policy toward the basic tasks on the front line.

3. Having taken ideological education as the main policy, the localities took proper charge of current production and solved thorny problems to promote various tasks in rural areas.

While affirming the achievements, Janabil also mentioned the work problems. First, some localities have not yet paid enough attention to rural socialist ideological education and have failed to exercise effective leadership in this regard. They have yet to carry out socialist ideological education as a major task that concerns the overall situation. Generally, there was too much rhetoric and too little specific guidance. Regarding rural socialist ideological education as merely a general aid to agricultural work, some departments had, in their plans and arrangements, unduly emphasized the quantity of the work, and thus failed to concentrate their efforts, stress the main policy of ideological education, or make clear their tasks and objectives.

Addressing the problems in the previous phase, Janabil pointed out: It is necessary to realistically deepen understanding of the great significance of socialist ideological education. Without overall progress in the rural area, there never will be overall progress in the entire society; without a fairly comfortable life for the peasants, there never will be a fairly comfortable life for the whole nation; without agricultural modernization, there never will be modernization of the entire economy; and without stability in the rural areas, there never will be stability throughout the country. Leaders and cadres at various levels must seek unity of thinking in compliance with the guidelines of the Central Committee and go a step further to deepen their understanding of the great significance of rural socialist ideological education and to strengthen their sense of responsibility and urgency for accomplishing this task. In conducting socialist ideological education, it is necessary to readjust their arrangements, narrow the scope where necessary, firmly follow the regional party committee's arrangements, concentrate efforts that are too dispersed, begin by carrying out the work in one third of the villages, and properly conduct socialist ideological education in batches of villages in stages. The various localities should comply with this general requirement and consider the local situation to make specific arrangements for a good beginning and ending—and not a mere formality—of socialist ideological education. In rural socialist ideological education, it is necessary to stress the main policy of ideological education, heighten the ideological consciousness of the vast number of peasants and herdsmen, and strengthen their determination and confidence in following the socialist road. Party committees and governments at various levels should strengthen their leadership over socialist ideological education, place it high on the agenda for regular study, and go deep into the farming and pastoral areas to give specific guidance.

In conclusion, Janabil said: Party committees at various levels must seek unity of thinking, deepen their understanding, and take charge of socialist ideological education as a major function having a direct bearing on the overall situation of the rural area in order to facilitate the continuation of rural socialist education in an orderly, down-to-earth manner.

When addressing the forum, Song Hanliang, secretary of the autonomous regional party committee, stressed that: Leaders at various levels should further deepen their understanding of the great significance of rural socialist ideological education and realistically strengthen their leadership to promote the work.

Song Hanliang said: The three tasks of socialist ideological education are all major problems of fundamental importance that concern the present overall situation in the rural areas. In conducting socialist education, we should first help the vast number of peasants and herdsmen foster faith in socialism and teach them to resolutely follow the socialist road; only by so doing, can we build new and prosperous villages with socialist

civilizations. The second task is to implement comprehensively the party's policies on rural areas and cultivate the production enthusiasm of the vast number of peasants and herdsmen, so as to strive to attain the second objective. The third task is to promote the overall development of grass-root organizations with party branches as the hub, truly bring into play the party's role as the core of leadership in rural areas, and further consolidate our position in the rural areas.

Song Hanliang hopes that leaders at various levels will exploit the great opportunity to realistically strengthen their leadership over rural socialist education, make the work even more lively and effective, and lift agriculture and rural work to a new level.

Li Shoushan, Zhou Guofu, and Feng Dazhen also addressed the forum. Also attending the forum were more than 70 major leaders of various departments, committees, offices, bureaus, prefectures, and autonomous prefectures. [Video shows Song Hanliang, Janabil, and other leaders seated at a long table interspersed with medium shots of Janabil and Song Hanliang speaking]



**Four Independence Activists Indicted for Sedition***OW2911082191 Taipei CNA in English 0813 GMT  
29 Nov 91*

[Text] Taipei, Nov. 29 (CNA)—The Taichung District Court indicted Thursday Chiang Kai-shih and three other members of the World United Formosans for Independence (WUFI) on charges of preparing to commit sedition.

The indictment said Chiang, Hsu Lung-chun, Lin Ching-sheng and Tsou Wu-chien had since early this year been engaged in activities aimed at establishing a "Republic of Taiwan."

The four had openly recruited new members to the outlawed organization, the indictment said.

Investigators have obtained name lists of WUFI members, their meeting records and other pieces of evidence showing that the four had actually begun to set up a "Republic of Taiwan," a prosecutor said.

Prosecutor Ko Liang-yen said he had charged the four with preparing to change the national system, to divide the national territory, and to subvert the government by illegal means.

All these offenses are punishable under the Criminal Code which governs sedition and the internal security of the state.

**SEF To Investigate Mainland Vessel 'Pounding'***OW2811080991 Taipei CNA in English 0735 GMT  
28 Nov 91*

[Text] Taipei, Nov. 28 (CNA)—The Straits Exchange Foundation (SEF) said Wednesday that it will try to confirm a Peking charge that troops on Kinmen Island, off the mainland of China, had shelled a mainland fishing boat and killed its captain.

The Peking State Council's Taiwan Affairs Office (TAO), in a message to the SEF Wednesday afternoon, accused Army troops on Kinmen of "continually pounding" the Min Rong Yu No. 2193, a Fujian Province-based fishing boat last Friday.

Zhang Jiafu, the boat's skipper, was killed on the spot, TAO said, and it demanded that Taiwan "properly handle" the incident and offer compensation for "economic losses" in order not to "spoil the amicable atmosphere" along the Taiwan Strait.

SEF Deputy Secretary General Chen Jung-chieh said the facts about the incident need to be "further confirmed, and that SEF had already contacted relevant government agencies.

Communist China's China News Service [ZHONGGUO TONGXUN SHE] has reported the incident.

**Atomic Energy Council Denies Plan To Dump Waste***OW2811085391 Taipei CNA in English 0751 GMT  
28 Nov 91*

[Text] Taipei, Nov. 28 (CNA)—The Atomic Energy Council (AEC) denied Wednesday that it will cooperate with Mainland China to dump nuclear waste off the coast of Guangdong Province in southeastern China.

The cabinet-level council was commenting on a report carried in Wednesday's Hong Kong STANDARD daily that Taipei and Peking are planning to jointly build a new dump at a yet-to-be-decided site in Guangdong to accommodate radioactive waste from nuclear power plants in both Taiwan and Mainland China.

AEC Secretary-General Liu Kuang-chi said the report is not true. Since the 1983 London Dumping Convention strictly prohibits the dumping of nuclear waste into sea, Liu stressed that the Republic of China will absolutely not violate the taboo.

Taiwan, with three nuclear power plants, currently stores low-level radioactive waste on Orchid Island, about 80 kilometers (50 miles) east of southeastern Taiwan. It is estimated that the dump will be full within eight years.

Liu said the government is now considering how to treat nuclear waste after the Orchid Island dump is full, but no final decisions have been made.

As nuclear safety is a universal concern, Liu revealed that the Atomic Energy Council has proposed, as part of cross-strait exchange programs that the two sides of the Taiwan Strait notify each other of all nuclear accidents.

**Ministry: Time 'Not Yet Ripe' for Direct Links***OW2811083191 Taipei CNA in English 0742 GMT  
28 Nov 91*

[Text] Taipei, Nov. 28 (CNA)—The time is not yet ripe for direct air and shipping links between Taiwan and Mainland China, the Ministry of Transportation and Communications said Wednesday.

As long as Peking remains hostile toward Taiwan, the ministry explained, direct cross-strait transportation links are out of the question.

The ministry was responding to mounting calls from local businessmen with interests on the mainland [words indistinct] direct cross-strait shipping and flight services to reduce transportation costs.

From every point of view, the ministry noted, such links are not in Taiwan's best interests at the present time.

For one thing, the ministry said, opening transportation services could jeopardize Taiwan's national security, social order and political stability.

From a purely economic point of view, the ministry said, Taiwan would hardly benefit from direct cross-strait transportation links.

With insufficient and backward facilities, the ministry explained, many mainland ports can only handle small-sized, light-weight ships. Given the situation, the cost of cross-strait transportation is unlikely to decline.

Moreover, communist authorities have traditionally dominated the mainland's forwarding business. With cheap labor and low operating costs, the ministry warned, large state-run mainland shipping companies would be able to easily dominate the market soon after direct navigation links are opened.

The ministry pointed out that direct air and shipping links involve a number of sensitive political and technical issues, including the use of national flag and emblem, the division of flight information zones, customs clearances, taxation, immigration and the like. These problems are not likely to be resolved within a short period of time, the ministry observed.

As cross-strait direct transportation links are a medium-range goal set forth in the national unification guidelines, the ministry said, the timing of such ties hinges entirely upon Peking's positive responses to Taipei's goodwill gestures.

The ministry is now studying the legal problems and other technical concerns related to the opening of direct cross-straits transportation links, officials said.

#### **Mainland's Peng Zhen Reportedly Dying of Cancer**

OW2911120391 Taipei China Broadcasting Corporation News Network in Mandarin  
2300 GMT 28 Nov 91

[From the "National News Hookup" program]

[Text] According to Taipei's CHUNG KUO SHIH PAO, Peng Chen [Peng Zhen], founding member of the Communist Party of China, has cancer and is hospitalized. His illness is quite serious. It was reported earlier that he has always been in poor health. Early this year, when he was found to have cancer during a physical examination at a certain hospital in Peking, medical workers spared no efforts to cure him. However, because of old age, he is physically quite weak. It is estimated that his days are numbered.

Peng Chen is now 89 years old and is the oldest among the eight founding members of the CPC. His wife, Zhang Haoqing, who formerly worked for the Peking municipal CPC Committee, is now living in retirement at home.

#### **Hao Orders Review of McDonnell Douglas Deal**

OW2911083891 Taipei CNA in English 0803 GMT  
29 Nov 91

[Text] Taipei, Nov. 29 (CNA)—Premier Hao Po-tsun ordered government agencies to carefully evaluate the

investment return on a proposed tie-up between Taiwan Aerospace Corp. and McDonnell Douglas Corp. of the United States.

Hao gave his directive after being briefed by Economic Affairs Minister Vincent Siew on the much-publicized joint-venture proposal during a weekly cabinet meeting.

The premier noted that the proposed tie-up could provide Taiwan with a good chance of upgrading its industry since McDonnell Douglas is the world's third largest commercial aircraft manufacturer.

"Since the project involves a huge amount of capital," Hao said, "we must cautiously assess its feasibility."

Hao urged the Ministry of Economic Affairs and other related agencies to discreetly evaluate the investment return, potential for technology transfer and possible risks that might be involved in the proposed investment project.

Taiwan Aerospace, a joint venture between the ROC [Republic of China] Government and six private business groups here, signed a memorandum of understanding with McDonnell Douglas Corp. last week.

Under the memorandum, the St. Louis-based U.S. aerospace giant will sell 40 percent of its commercial aircraft operations to Taiwan Aerospace for up to two billion U.S. dollars. Both parties will then form a new venture to co-produce commercial airliners.

Noting that aerospace is a promising industry, Economic Affairs Minister Siew pointed out that the tie-up, if feasible, will contribute to Taiwan's industrial development. As long-distance, wide-body aircraft are expected to become the mainstream of future air transport, Siew said, the Taiwan Aerospace-McDonnell Douglas partnership will provide the country access to the rapidly growing world aerospace market.

The minister reported that the state-run China Steel Corp.-led task force is scheduled to complete its feasibility study of the tie-up plan within three months.

The study will focus on the investment return of the project and its possible contributions to the upgrading of Taiwan industry, Siew explained. Well-known overseas Chinese aerospace experts and prestigious international consulting firms will be invited to join in the assessment, he added.

#### **SRV Investment Guarantee Agreement Proposed**

OW2811082291 Taipei CNA in English 0746 GMT  
28 Nov 91

[Text] Taipei, Nov. 28 (CNA)—The Republic of China [ROC] and Vietnam both agreed that they should sign an investment guarantee agreement soon, but they differed on the timing and ways of signing it, officials of the Ministry of Foreign Affairs said.

The officials said that Vietnam hopes the agreement will be signed between the trade and industry associations of both countries, but the ROC prefers it be signed by government agencies.

As Vietnam moves from a socialist economy toward a more market-oriented economy, it is warmly welcoming foreign investment, the officials said.

They added that the ROC has become the biggest investor in Vietnam, with a total investment of U.S.\$400 million; they noted however that Vietnam has avoided

becoming too close to the ROC for fear of upsetting its northern neighbor, the Mainland China.

Vietnam has expressed its admiration for the success of the ROC's small- and medium-sized enterprises, they said, and it has taken the initiative in building contacts here. Several ranking Vietnam officials have already visited here, and ROC Vice Economics Minister P.K. Chiang visited Vietnam in August.

The officials said the ROC is continuing negotiations with Vietnam on direct air links and the signing of an investment guarantee agreement, but it will be some time before both sides can work out the differences between the two countries.



**END OF**

**FICHE**

**DATE FILMED**

Dec. 3, 1991

